

Annual Financial Report

2022-23

Our community
Our future
Our way

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited

ABN 22 009 943 435

Annual Report - 30 June 2023

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited

Directors' report

30 June 2023

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

Directors

The names of the directors throughout the year and at the date of this report are:

Melody Ingra
Andrew Niven
Anthony Lynham
Anthony Morgan
Dane Corowa
Jyi Lawton (resigned 23 November 2022)
Karina Hogan (appointed 23 November 2022)

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Eligible to Attend	Attended
Melody Ingra	7	7
Andrew Niven	5	4
Anthony Lynham	7	5
Anthony Morgan	5	4
Dane Corowa	7	6
Jyi Lawton (resigned 23 rd November 2022)	2	2
Karina Hogan (appointed 23 rd November 2022)	5	4

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Directors' report
30 June 2023

Information on Directors

Melody Ingra Chair

Melody is a proud Gooreng Gooreng/Wakka Wakka woman from Central Queensland. Born and raised on country in Gladstone, she has a teaching degree and has worked in primary and high schools in regional and remote communities. While working as the Principal Project Officer for Early Childhood Education and Care in the Remote Indigenous Professional Development Program, Melody delivered professional development to early childhood educators in Queensland, Northern Territory and South Australia. Melody now works in the early childhood sector in a national role promoting reconciliation and is passionate about our little people and growing them to be deadly and proud.

Andrew Niven

Andrew is a Djaku-nde man from the Bunya Mountains, born and raised in Brisbane. Andrew completed a Bachelor of Business (Accounting) at the Queensland University of Technology. He is currently employed at Queensland Treasury Corporation (QTC) and has previous experience in finance, investment and strategic planning at Indigenous Business Australia (IBA), The Institute for Urban Indigenous Health (IUIH) and National Australia Bank (NAB). He is also the President of the CareerTrackers Alumni Association. Andrew expresses his passion for health and wellbeing through his elite level in CrossFit where he aims to be a holistic health advocate and role model for Indigenous Australians. He is excited to blend in fitness achievements with his financial experience for the health development of Aboriginal and Torres Strait Islander people.

Anthony Lynham

Associate Professor Anthony Lynham is a well-respected maxillofacial surgeon with over 25 years' experience in surgery. He trained in Queensland and Switzerland and has worked in various roles including as a consultant surgeon at RBWH. In 2014 Dr Lynham entered Queensland politics where he served as Member for Stafford and as Minister for State Development and Minister for Natural Resources and Mines. Today he is a clinical director of one of the nation's leading institutes in trauma research and is Associate Professor at the School of Medicine University of Queensland.

Anthony Morgan

Anthony has extensive operational and management experience across the not-for-profit sector in the areas of Mental Health, Disability, Child Safety and Aboriginal and Torres Strait Islander health organisations. He has also held positions in Queensland Government. He is currently employed at the Aboriginal and Torres Strait Islander Housing Queensland. His expertise is in Corporate Service functions, particularly finance and human resource management. He has worked with many Community Controlled Health Organisations and has a strong belief in the right to self-determination. He is an advocate for vulnerable people, a very proud Aboriginal and Torres Strait Islander gay man, and an animal lover, particularly dogs. Anthony holds qualifications in business administration, commerce and e-commerce.

Dane Corowa

Dane is passionate about evidence based health initiatives leading to positive health outcomes within the community. Dane was born in Tweed Heads and belongs to the Minjungbal tribe within the Bundjalung nation. He has completed a Bachelor of Applied Science in Human Movement Studies and a Graduate Diploma in Cardiac Ultrasound both at the Queensland University of Technology. He has been employed as a Cardiac Sonographer with Queensland Cardiovascular Group since 2009 and Heart of Australia since 2015, travelling to rural towns throughout Outback Queensland.

Jyi Lawton (resigned 23 November 2022)

Jyi is a Bidjara man from Central-West Queensland and the CEO of Triple A, an Indigenous community controlled multi-media organisation. He has undertaken tertiary study across a range of areas in Architectural Design, Law, Justice and Business. Jyi has held previous operational and senior leadership positions across State and Federal Government in the Department of Premier and Cabinet, Department of Youth Justice, and Indigenous Business Australia leading IBA's National Business Program supporting Indigenous Entrepreneurs in business. Jyi also serves on the Board of Directors for the National Indigenous Radio Service, Karalumba, and is the founding Chairperson of the state Indigenous media peak body, Queensland First Nations Media Coalition.

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Karina Hogan (appointed 23 November 2022)

Karina Hogan is a proud First Nations and South Sea Islander woman with strong ancestral ties to Northern NSW, Bundjalung Country. Her passion for elevating voices in her community is at the heart of what she does. She is a Content Producer, Broadcaster and Journalist with a thirst for making a positive impact in the health, media and Arts space. With 13 years experience in media, she works for the ABC Brisbane, is a business woman, studies at Griffith University and recently finished broadcasting for the flagship program for Triple A's Let's Talk Program. She is the Researcher and Impact Producer and Researcher for the Logie Award winning documentary 'Incarceration Nation' and is completing a research Honors at Griffith university focusing on the representation of diverse and First Nations women impacted by violence in the media. She is an experienced and passionate non-executive Director on the Board of the Children's Hospital Queensland (CHQ) and the deputy Director of Blackdance theatre company Brisbane with a history of working on the Brisbane ATSICHS Board and Sisters Inside Board. She is a single mother to two and helped raise her five nieces who are the driving force behind what she does.

Objectives

Short Term Objectives

The Company's short term objectives are to:

To continue to embed the Institute for Urban Indigenous Health (IUIH) model of care across all of the ATSICHS Brisbane Limited clinics;

To continue on the path of building the financial sustainability of the organisation; and

To maintain quality accreditation through ISO, AGPAL, Aged Care Licensing and Child Safety Licensing.

Long Term Objectives

The Company's long term objectives are to:

Provide leadership in the provision of health services to Aboriginal and Torres Strait Islander people in Brisbane;

Operate services with strong community and client support; and

Build a quality and sustainable organisation.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

Maintain a strong focus on governance and transparency;

Maintain and expand the provision of services across Brisbane; and

Contribute to the development of a competent and sustainable Aboriginal and Torres Strait Islander workforce.

Principal activities

In accordance with the objectives of the company, the principal activities of the company during the financial year were to assist Aboriginal and Torres Strait Islander people in need of medical and dental advice, treatment and other services. No significant change in the nature of these activities occurred during the year.

Performance measures

The following measures are used within the Company to monitor performance:

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Members' Guarantees

Aboriginal and Torres Strait Islander Community Health Services ("ATSICHS") Brisbane Limited was originally incorporated under the *Corporations Act 2001* and is a company limited by guarantee. It is now governed by the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act 2012)*. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 1 per member, subject to the provisions of the company's constitution.

At 30 June 2023 the collective liability of members was 58 (2022: 76 members).

Operating Result

The surplus/(deficit) after providing for income tax for the financial year amounted to \$148,312 (2022 : \$962,030).

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited

Directors' report

30 June 2023


Going Concern

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the company to continue to operate as a going concern is dependent upon the ability of the company to generate sufficient cashflows from operations and continued state and federal government funding to meet its liabilities. The directors of the company believe that the going concern assumption is appropriate.

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 (Cth) (ACNC Act), for the year ended 30 June 2023 has been received and can be found on the next page of the financial report.

Signed in accordance with a resolution of the Directors on:



Chair

31 October 2023

**Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Auditor's Independence Declaration
30 June 2023**



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DECLARATION OF INDEPENDENCE BY C K HENRY TO THE DIRECTORS OF ABORIGINAL & TORRES STRAIT ISLANDER COMMUNITY HEALTH SERVICE BRISBANE LIMITED (ATSICHS)

As lead auditor of Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited (ATSICHS) for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'C K Henry', written in a cursive style.

C K Henry
Director

BDO Audit Pty Ltd

Brisbane, 31 October 2023

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
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General information

The financial statements cover Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited as an individual entity. The financial statements are presented in Australian dollars, which is Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited's functional and presentation currency.

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal places of business are:

Registered office

Aboriginal and Torres Strait Islander Community Health Service Brisbane Limited
55 Annerley Road BRISBANE QLD 4102

Principal place of business

a) Aboriginal and Torres Strait Islander Community Health Service Brisbane Limited
55 Annerley Road BRISBANE QLD 4102
b) Jimbelunga Nursing Centre
259 River Hills Road EAGLEBY QLD 4207

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue on 31 October 2023.

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue			
Grants	2	37,340,867	32,839,092
Revenue from Contracts with Customers	3	9,345,128	8,555,870
		<u>46,685,995</u>	<u>41,394,962</u>
Other income	4	1,883,260	582,223
Expenses			
Administration Expenses		(1,572,800)	(1,303,885)
Depreciation and Amortisation	5	(1,810,993)	(1,888,871)
Employee Benefits Expense	6	(35,630,912)	(31,972,659)
Motor Vehicle Expenses		(968,718)	(916,421)
Occupancy Costs		(2,259,135)	(1,896,404)
Other Expenses from Ordinary Activities		(5,957,472)	(4,879,066)
Loss on Write-Off Property Plant and Equipment		<u>(220,913)</u>	<u>(81,909)</u>
Surplus/(deficit) for the year attributable to the members of Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited		148,312	(962,030)
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the members of Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited		<u><u>148,312</u></u>	<u><u>(962,030)</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Balance sheet
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	7	8,272,696	7,778,899
Trade and other receivables	8	129,483	323,108
Financial assets at fair value through profit or loss	9	9,503,365	8,826,568
Other current assets	10	822,072	407,583
Total current assets		<u>18,727,616</u>	<u>17,336,158</u>
Non-current assets			
Investment properties	11	4,900,761	4,721,261
Property, plant and equipment	12	38,650,842	39,424,203
Right-of-use assets	13	2,829,941	3,289,883
Total non-current assets		<u>46,381,544</u>	<u>47,435,347</u>
Total assets		<u>65,109,160</u>	<u>64,771,505</u>
Liabilities			
Current liabilities			
Trade and other payables	14	3,791,213	2,951,592
Borrowings	15	74,465	74,465
Lease liabilities	16	686,415	429,561
Provisions	17	2,223,054	1,982,010
Other	18	501,811	1,219,275
Total current liabilities		<u>7,276,958</u>	<u>6,656,903</u>
Non-current liabilities			
Borrowings	19	2,412,287	2,576,642
Lease liabilities	20	2,544,016	2,931,808
Provisions	21	282,691	161,256
Total non-current liabilities		<u>5,238,994</u>	<u>5,669,706</u>
Total liabilities		<u>12,515,952</u>	<u>12,326,609</u>
Net assets		<u>52,593,208</u>	<u>52,444,896</u>
Equity			
Retained surpluses		<u>52,593,208</u>	<u>52,444,896</u>
Total equity		<u>52,593,208</u>	<u>52,444,896</u>

The above balance sheet should be read in conjunction with the accompanying notes

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Statement of changes in equity
For the year ended 30 June 2023

	Retained surpluses \$	Total equity \$
Balance at 1 July 2021	53,406,926	53,406,926
Deficit for the year	(962,030)	(962,030)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(962,030)	(962,030)
Balance at 30 June 2022	<u>52,444,896</u>	<u>52,444,896</u>
	Retained profits \$	Total equity \$
Balance at 1 July 2022	52,444,896	52,444,896
Surplus for the year	148,312	148,312
Other comprehensive income for the year	-	-
Total comprehensive income for the year	148,312	148,312
Balance at 30 June 2023	<u>52,593,208</u>	<u>52,593,208</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		8,279,420	10,503,222
Government grants received		39,623,402	33,566,946
Distribution from managed investments		170,004	357,564
Payments to suppliers & employees (inclusive of GST)		(46,300,026)	(41,088,452)
Interest received		76,698	2,038
Interest paid		(136,811)	(100,575)
Net cash from operating activities	22	<u>1,712,687</u>	<u>3,240,743</u>
Cash flows from investing activities			
Payments for property, plant and equipment	12	(364,171)	(1,720,178)
Payments for investments		-	(456,358)
Payments for investment property		(179,500)	-
Net cash used in investing activities		<u>(543,671)</u>	<u>(2,176,536)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	875,262
Repayment of borrowings		(164,355)	-
Repayment of lease liabilities		(510,867)	(651,896)
Net cash from/(used in) financing activities		<u>(675,222)</u>	<u>223,366</u>
Net increase in cash and cash equivalents		493,797	1,287,573
Cash and cash equivalents at the beginning of the financial year		<u>7,778,899</u>	<u>6,491,326</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>8,272,696</u></u>	<u><u>7,778,899</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

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

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

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Queensland legislation the Associations Incorporation Act 1981, the Collections Act 1966 and associated regulations, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

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

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	2%
Leasehold improvements	20 - 30%
Plant and equipment	20 - 30%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

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

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

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Economic Dependence

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited is dependent on the State and Federal Government funding for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the State and Federal government funding will not continue to support Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited.

Note 2. Grants

	2023 \$	2022 \$
Commonwealth Government Grants - Operating	30,860,775	27,382,016
State Government Grants - Operating	6,480,092	5,457,076
	<u>37,340,867</u>	<u>32,839,092</u>

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Notes to the financial statements
30 June 2023

Note 3. Revenue from Contracts with Customers

	2023 \$	2022 \$
HIC Fees	713,450	803,137
Dental Service Income	53,785	43,654
Kindy and Child Care Fees	38,113	19,254
Medicare Income	5,680,084	5,122,555
Other Organisations	713,618	624,616
Rental Income - Residents	1,548,875	1,531,113
Rental Income (Others)	597,203	411,541
	<u>9,345,128</u>	<u>8,555,870</u>

Note 4. Other income

	2023 \$	2022 \$
Distribution received from managed investments	170,004	357,564
Unrealised gain/(loss) on managed investments	506,792	(1,167,921)
Interest	76,698	2,038
Donations received	37,186	322,904
Other	1,092,580	1,067,638
Other income	<u>1,883,260</u>	<u>582,223</u>

Note 5. Depreciation and Amortisation

	2023 \$	2022 \$
Buildings	663,054	676,241
Plant and Equipment	249,918	262,238
Motor Vehicles	208,323	180,706
Leasehold Improvements	236,390	298,410
Right Of Use Assets	453,308	471,276
	<u>1,810,993</u>	<u>1,888,871</u>

Note 6. Employee Benefits Expense

	2023 \$	2022 \$
Salary and Wages	28,604,424	26,426,634
Superannuation Contributions	2,935,551	2,535,898
Other Payroll Expenses	4,090,937	3,010,127
	<u>35,630,912</u>	<u>31,972,659</u>

Note 7. Current assets - cash and cash equivalents

	2023 \$	2022 \$
Cash at bank	<u>8,272,696</u>	<u>7,778,899</u>

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Notes to the financial statements
30 June 2023

Note 8. Current assets - trade and other receivables

	2023 \$	2022 \$
Trade receivables	129,483	323,108

Note 9. Current assets - financial assets at fair value through profit or loss

	2023 \$	2022 \$
Investments in Bendigo Balanced Funds	9,503,365	8,826,568

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	8,826,568	9,643,652
Additions	170,004	456,358
Revaluation increments	506,793	-
Revaluation decrements	-	(1,273,442)
Closing fair value	9,503,365	8,826,568

Note 10. Current assets - other current assets

	2023 \$	2022 \$
Bonds and deposits paid	822,072	407,583

Note 11. Non-current assets - investment properties

	2023 \$	2022 \$
Investment properties	4,900,761	4,721,261

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	4,721,261	4,550,571
Additions	179,500	-
Revaluation increments	-	170,690
Closing fair value	4,900,761	4,721,261

Valuations of investment properties

The basis of the valuation of investment properties is fair value. The investment properties are assessed annually based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Notes to the financial statements
30 June 2023

Note 12. Non-current assets - property, plant and equipment

	2023 \$	2022 \$
Land and buildings - at cost	41,412,485	41,385,334
Less: Accumulated depreciation	(5,792,599)	(5,129,545)
	<u>35,619,886</u>	<u>36,255,789</u>
Leasehold improvements - at cost	2,120,833	2,120,833
Less: Accumulated depreciation	(1,399,317)	(1,162,927)
	<u>721,516</u>	<u>957,906</u>
Plant and equipment - at cost	3,643,108	3,256,092
Less: Accumulated depreciation	(1,764,544)	(1,514,626)
	<u>1,878,564</u>	<u>1,741,466</u>
Motor vehicles - at cost	1,064,015	843,858
Less: Accumulated depreciation	(633,139)	(424,816)
	<u>430,876</u>	<u>419,042</u>
Construction in progress	-	50,000
	<u>-</u>	<u>50,000</u>
	<u><u>38,650,842</u></u>	<u><u>39,424,203</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land \$	Plant and Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Construction in Progress \$	Total \$
Balance at 1 July 2022	36,255,789	1,741,466	419,042	957,906	50,000	39,424,203
Additions	27,151	387,016	220,157	-	-	634,324
Transfers in/(out)	-	-	-	-	(50,000)	(50,000)
Depreciation expense	(663,054)	(249,918)	(208,323)	(236,390)	-	(1,357,685)
Balance at 30 June 2023	<u><u>35,619,886</u></u>	<u><u>1,878,564</u></u>	<u><u>430,876</u></u>	<u><u>721,516</u></u>	<u><u>-</u></u>	<u><u>38,650,842</u></u>

Note 13. Non-current assets - right-of-use assets

	2023 \$	2022 \$
Land and buildings - right-of-use	4,347,054	4,828,229
Less: Accumulated depreciation	(1,517,113)	(1,538,346)
	<u><u>2,829,941</u></u>	<u><u>3,289,883</u></u>

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Notes to the financial statements
30 June 2023

Note 13. Non-current assets - right-of-use assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings - right-of-use \$	Total \$
Balance at 1 July 2022	3,289,883	3,289,883
Write off of assets	(6,633)	(6,633)
Depreciation expense	(453,309)	(453,309)
	<u>2,829,941</u>	<u>2,829,941</u>
Balance at 30 June 2023	<u>2,829,941</u>	<u>2,829,941</u>

Note 14. Current liabilities - trade and other payables

	2023 \$	2022 \$
Trade payables	1,481,098	743,086
Residents funds held	1,367,769	1,096,874
Other current payables	942,346	1,111,632
	<u>3,791,213</u>	<u>2,951,592</u>

Note 15. Current liabilities - borrowings

	2023 \$	2022 \$
Loan - Bendigo Bank	74,465	74,465

Note 16. Current liabilities - lease liabilities

	2023 \$	2022 \$
Lease liability	686,415	429,561

Note 17. Current liabilities - provisions

	2023 \$	2022 \$
Annual leave	1,823,430	1,638,989
Long service leave	399,624	343,021
	<u>2,223,054</u>	<u>1,982,010</u>

Note 18. Current liabilities - other

	2023 \$	2022 \$
Revenue received in advance	501,811	1,219,275

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Notes to the financial statements
30 June 2023

Note 19. Non-current liabilities - borrowings

	2023 \$	2022 \$
Loan - Bendigo Bank	<u>2,412,287</u>	<u>2,576,642</u>

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	2023 \$	2022 \$
Loan - Bendigo Bank	<u>2,486,752</u>	<u>2,651,107</u>

Assets pledged as security

The bank overdraft and loans are secured by first mortgages over the company's land and buildings.

Note 20. Non-current liabilities - lease liabilities

	2023 \$	2022 \$
Lease liability	<u>2,544,016</u>	<u>2,931,808</u>

Note 21. Non-current liabilities - provisions

	2023 \$	2022 \$
Long service leave	<u>282,691</u>	<u>161,256</u>

Note 22. Reconciliation of cash

A reconciliation of net cash provided by operating activities to profit or loss is shown below:

	2023 \$	2022 \$
Net surplus/(deficit) for the year	148,312	(962,030)
Loss on write-off property plant and equipment	227,546	230,102
Unrealised (gain)/ loss on managed investments	(506,79)	1,102,752
Depreciation and amortisation	1,810,993	1,888,871
(Increase)/decrease in trade & other receivables	193,625	628,504
(Increase)/decrease in other current assets	(645,630)	(273,835)
Increase/(decrease) in trade & other payables	738,009	(7,159)
Increase/(decrease) in other liabilities	(615,855)	727,854
Increase/(decrease) in current employee entitlements	241,044	14,837
Increase/(decrease) in non-current employee entitlements	<u>121,435</u>	<u>(109,153)</u>
Cash provided by operating activities	<u>1,712,687</u>	<u>3,240,743</u>

Note 23. Key management personnel disclosures

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Notes to the financial statements
30 June 2023

Note 23. Key management personnel disclosures (continued)

Compensation

The aggregate compensation made to the senior executives of the company included in employee expenses is set out below:

	2023 \$	2022 \$
Aggregate compensation	<u>711,087</u>	<u>852,146</u>

Note 24. Remuneration of auditors

	2023 \$	2022 \$
Auditor's remuneration	<u>82,000</u>	<u>78,500</u>

Note 25. Related party transactions

Parent entity

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 23.

Transactions with related parties

The following transactions occurred with related parties:

	2023 \$	2022 \$
Payment for goods and services:		
Payment for services from key management personnel	711,087	852,146

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 26. Capital management

Management controls the capital of the entity to ensure that within tolerable risk parameters adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised. The finance committee ensures that the overall risk management strategy is in line with this objective.

The CEO and finance officer operate under policies approved by the directors. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Notes to the financial statements
30 June 2023

Note 26. Capital management (continued)

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

Note 27. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: None).

In the opinion of the Directors, the Company did not have any commitments at 30 June 2023 (30 June 2022: None).

Note 28. Members' guarantees

The Company was originally incorporated under the Corporations Act 2001 and is a Company limited by guarantee. It is now governed by the ACNC Act 2012.

If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company. At 30 June 2023, the number of members was 58 (2022: 76).

Note 29. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Notes to the financial statements
30 June 2023

Note 30. Segment reporting - Jimbelunga Nursing Centre

	2023 \$	2022 \$
Profit and loss and other comprehensive income		
Revenue	8,217,847	7,070,741
Administrative expenses	(268,380)	(234,802)
Clinical and resident care	(938,981)	(979,287)
Depreciation expense	(350,680)	(362,765)
Employee benefit expenses	(6,097,442)	(6,051,239)
Motor vehicle expense	(17,182)	(24,601)
Property expenses	(578,574)	(508,771)
Other expenses	(44,284)	(59,039)
Current year surplus (deficit)	<u>(77,676)</u>	<u>(1,149,763)</u>
Statement of financial position		
Assets		
Current assets		
Cash and cash equivalents	4,523,239	1,345,846
Trade and other receivables	-	70,920
Interdivisional receivable	2,892,246	6,012,187
Total current assets	<u>7,415,485</u>	<u>7,428,963</u>
Non-current assets		
Property, plant and equipment	14,957,381	15,256,617
Total non-current assets	<u>14,957,381</u>	<u>15,256,617</u>
Total assets	<u>22,372,866</u>	<u>22,685,580</u>
Liabilities		
Current liabilities		
Trade and other payables	3,028,789	1,734,493
Short term provisions	674,092	1,863,015
Total current liabilities	<u>3,702,881</u>	<u>3,597,508</u>
Non-current liabilities		
Long term provisions	281,078	52,885
Total non-current liabilities	<u>281,078</u>	<u>52,885</u>
Total liabilities	<u>3,983,959</u>	<u>3,650,393</u>
Net assets	<u>18,388,907</u>	<u>19,035,187</u>
Equity		
Retained surplus (shortfall)	18,388,907	19,035,187
Total equity	<u>18,388,907</u>	<u>19,035,187</u>

Note 31. Company information

The registered office of the Company is:
Aboriginal and Torres Strait Islander Community Health Service
Brisbane Limited
55 Annerley Road
BRISBANE QLD 4102

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Notes to the financial statements
30 June 2023

Note 31. Company information (continued)

The principal places of business are:

- a) Aboriginal and Torres Strait Islander Community Health Service
Brisbane Limited
55 Annerley Road
BRISBANE QLD 4102

- b) Jimbelunga Nursing Centre
259 River Hills Road
EAGLEBY QLD 4207

Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and Queensland legislation the Associations Incorporation Act 1981, the Collections Act 1966 and associated regulations;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Chair

31 October 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited (ATSICHS)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited (ATSICHS) (the registered entity), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Aboriginal & Torres Strait Islander Community Health Service Brisbane Limited (ATSICHS), is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures 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.

The responsible entities of the registered entity 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



C K Henry
Director

Brisbane, 31 October 2023

Contact us

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For more information about ATSICHS Brisbane,
visit our website atsichsbrisbane.org.au.

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