

NGANAMPA HEALTH COUNCIL INCORPORATED

ABN : 25 284 162 604

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

NGANAMPA HEALTH COUNCIL INCORPORATED
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FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

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COMMITTEE MEMBERS' REPORT

The committee presents their report, together with the financial statements, on the association for the year ended 30 June 2022.

Committee members

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

			Appointed	Ceased	
Sharon	Ah Chee	Community Representative			
Anita	Amos	Senior Community Connector	15/06/2022		
Imala (Sheila)	Bannington	Acting Health Mayatja	19/08/2021		Acting for Christine De Rose.
Francis	Coulson	Community Representative		1/07/2021	
Lorraine	Fraser	Acting Health Mayatja	19/08/2021	20/09/2021	Acting during Jamie Nyangu long service leave.
Jacob	Hoosan	Health Mayatja		12/06/2022	
Hudson	Lennon	Anangu Health Mayatja		1/10/2021	
Phillip	Marshall	Health Worker Representative			
Jamie	Nyangu	Chairperson and Anangu Cultural Leadership Advisor			
Anthony	Quinn	Community Representative			
John	Singer	Executive Director			
Theresa	Stevens	Community Representative		1/12/2021	
Debra	Umula	Health Mayatja		1/06/2022	
Stanley	Windy	Health Mayatja		30/11/2021	

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the association during the financial year include operating seven clinics and assorted health related programs on the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in the far north west of South Australia

No significant change in the nature of these activities occurred during the year.

Significant Changes in the State of Affairs

There was no significant change in the state of affairs of the association during the year

Operating results

The association incurred a net deficit for the year of \$710,348 (2021: \$359,848 Surplus).

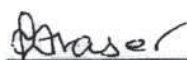
Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year and not disclosed in the financial statements that has significantly affected, or may significantly affect, the operations of the association, the results of those operations, or the state of affairs of the association in future financial years.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 18 of the financial report.

Signed in accordance with a resolution of the Committee



Board member



Board member

Dated this 31st day of October 2022

NGANAMPA HEALTH COUNCIL INCORPORATED

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Revenue and other income	2	22,500,519	23,549,773
Employee benefits expenses		(16,488,088)	(16,272,413)
Audit, legal and accounting		(35,856)	(41,607)
Communications		(589,676)	(545,456)
Consultancy Fees		(288,472)	(276,079)
Depreciation and amortisation expenses	7, 8	(1,483,968)	(1,532,181)
Equipment		(120,463)	(114,871)
Insurance		(92,431)	(103,504)
Finance Costs		(8,077)	(10,595)
Medical Supplies		(690,240)	(730,034)
Motor Vehicle Expenses		(716,937)	(690,153)
Occupancy Costs		(806,188)	(977,541)
Office, Administration & Corporate Expenses		(766,446)	(577,785)
Travel & Accommodation		(363,517)	(371,293)
Patient Travel Assistance		(760,508)	(946,413)
Current year surplus (deficit) before income tax		(710,348)	359,848
Income tax expense		-	-
Net Current year surplus (deficit)		(710,348)	359,848
Other comprehensive income			
Loss on disposal of aged care assets		(1,727,271)	-
Total other comprehensive income (losses) for the year		(1,727,271)	-
Total comprehensive income attributable to members of the entity		(2,437,619)	359,848

NGANAMPA HEALTH COUNCIL INCORPORATED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	10,619,798	10,012,757
Accounts receivable and other debtors	4	351,276	391,771
Inventories	5	385,913	333,101
Other current assets	6	77,807	79,230
TOTAL CURRENT ASSETS		<u>11,434,794</u>	<u>10,816,859</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	10,022,394	12,242,422
Right of use assets	8	117,489	178,307
TOTAL NON-CURRENT ASSETS		<u>10,139,883</u>	<u>12,420,729</u>
TOTAL ASSETS		<u>21,574,677</u>	<u>23,237,588</u>
CURRENT LIABILITIES			
Accounts payable and other payables	9	2,395,435	1,753,752
Contract liabilities		4,570,097	4,486,681
Lease liabilities	12	66,348	60,330
Employee provisions	10	2,380,818	2,357,868
TOTAL CURRENT LIABILITIES		<u>9,412,698</u>	<u>8,658,631</u>
NON-CURRENT LIABILITIES			
Lease liabilities	12	66,447	126,532
Employee provisions	10	237,028	168,736
Other non-current liabilities		71,469	59,035
TOTAL NON-CURRENT LIABILITIES		<u>374,944</u>	<u>354,303</u>
TOTAL LIABILITIES		<u>9,787,642</u>	<u>9,012,934</u>
NET ASSETS		<u>11,787,035</u>	<u>14,224,654</u>
EQUITY			
Retained surplus		9,951,089	12,160,464
Asset replacement reserve	11	1,835,946	2,064,190
TOTAL EQUITY		<u>11,787,035</u>	<u>14,224,654</u>

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Retained Surplus	Asset Replacement Reserve	Total
	\$	\$	\$
Balance at 1 July 2020	12,253,543	1,611,263	13,864,806
Comprehensive income			
Net surplus (deficit) for the year	359,848	-	359,848
Transfer to reserve	(452,927)	452,927	-
Total comprehensive income for the year	(93,079)	452,927	359,848
Balance at 30 June 2021	12,160,464	2,064,190	14,224,654
Balance at 1 July 2021	12,160,464	2,064,190	14,224,654
Comprehensive income			
Net surplus (deficit) for the year	(710,348)	-	(710,348)
Other Comprehensive income			
Loss on disposal of aged care assets	(1,727,271)	-	(1,727,271)
Total comprehensive income for the year	(2,437,619)	-	(2,437,619)
Transfer from reserve	228,244	(228,244)	-
Balance at 30 June 2022	9,951,089	1,835,946	11,787,035

NGANAMPA HEALTH COUNCIL INCORPORATED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from funding bodies, members and customers		24,068,971	24,525,137
Payments to suppliers and employees		(22,388,702)	(23,195,568)
Interest received		18,757	54,105
Interest paid		(8,077)	(10,595)
Net cash provided by (used in) operating activities		<u>1,690,949</u>	<u>1,373,079</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		57,950	17,000
Payments for property, plant and equipment		(1,087,791)	(1,240,187)
Net cash used in investing activities		<u>(1,029,841)</u>	<u>(1,223,187)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(54,067)	(57,909)
Net cash provided by (used in) financing activities		<u>(54,067)</u>	<u>(57,909)</u>
NET INCREASE (DECREASE) IN CASH HELD		607,041	91,983
Cash at the beginning of the financial year		<u>10,012,757</u>	<u>9,920,774</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	3	<u><u>10,619,798</u></u>	<u><u>10,012,757</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Nganampa Health Council Incorporated ("the association") as an individual entity. Nganampa Health Council Incorporated is an association incorporated in South Australia and operating pursuant to the Australian Charities and Not-for-profits Commission Act 2012.

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 association 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.

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

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

Conceptual Framework for Financial Reporting (Conceptual Framework)

The association has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the association's financial statements.

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

The association has adopted AASB 1060 from 1 July 2021. This standard provides a new Tier 2 reporting framework with simplified disclosures. As a result of the early application of this standard, these financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure. As permitted by AASB 1053 for early adoption of AASB 1060, comparative information has not been provided for new disclosures.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure issued by the Australian Accounting Standards committee (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The association is a not-for-profit association for financial reporting purposes under Australian Accounting Standards.

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

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

Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also required management to exercise its judgement in the process of applying the association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, are disclosed in note 1(r)

Accounting Policies

(a) Income Tax

The association is not subject to income tax and therefore no income tax expense or income tax payable is shown in the financial statements.

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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.

(c) Property, Plant and Equipment

Property, Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

The cost of fixed assets constructed within the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

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

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

Leasehold Buildings - Clinics	20 years
Leasehold Buildings - Non-Clinics	40 years
Motor Vehicles	6 years
Plant and equipment	8 years
IT Equipment	3 years
Medical Equipment	5 - 10 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the association. Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they occur. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained surplus.

(d) Impairment of Assets

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

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

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

(e) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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 association 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 association 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.

(f) Employee Provisions

Short-term employee benefits

Provision is made for the association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Long-term employee benefits

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

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

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(h) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from customers in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

(i) Revenue recognition

The association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: 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.

Sales revenue

Events, fundraising and raffles are recognised when received or receivable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Donations

Donations are recognised at the time the pledge is made.

Grants

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

If conditions are attached to the grant which must be satisfied before the incorporated association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Capital grants

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

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

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the association.

Interest Income

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.

Other revenue

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

(j) Inventories on Hand

Inventories held for sale are measured at the lower of cost and net realisable value.

(k) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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

(l) Comparative Figures

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

(m) Accounts Payable and Other Payables

Accounts payable and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Provisions

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

(o) Contract Liabilities

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

(p) 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 association'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.

(q) Current and non-current classification

Assets and liabilities are presented in the statement of financial position 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 incorporated association'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 incorporated association'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.

(r) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(i) Useful lives of property, plant & equipment

The incorporated association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(ii) Employee benefits provision

As described in note 1(f), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

(iii) Accruals

The Accruals at reporting date have been reviewed to determine whether there is any objective evidence that any of the accruals are payable. An payable provision is included for any accrual where the entire balance is not considered received. The provision is based on the best information at the reporting date.

(iv) Performance obligations under AASB15

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

(v) Lease term and Option to Extend under AASB16

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

(vi) Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(s) Economic Dependence

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 2: REVENUE AND OTHER INCOME	2022	2021
	\$	\$
Revenue from contracts with customers:		
Grant income	20,972,236	21,745,148
Medical Rebates & Incentives	1,394,654	1,599,290
	<u>22,366,890</u>	<u>23,344,438</u>
Non-contract income:		
Interest received	18,757	54,105
Gain / (loss) on disposal of non current assets	(99,449)	16,873
Other income	214,321	134,357
	<u>133,629</u>	<u>205,335</u>
Total revenue and other income	<u><u>22,500,519</u></u>	<u><u>23,549,773</u></u>
Government revenue (including Grants)		
Commonwealth government		
Department of Health	14,615,081	15,502,829
The National Indigenous Australians Agency	371,820	371,820
Department of Prime Minister and Cabinet	101,918	101,918
National Disability Insurance Agency	621,569	1,012,508
National Aboriginal Community Controlled Health Organisation	602,150	80,000
	<u>16,312,538</u>	<u>17,069,075</u>
State government		
Eyre and Far North Local Health Network	2,722,930	2,634,933
Department of Health and Wellbeing	505,321	495,435
SA Health	204,177	11,653
Country SA PHN	634,804	596,852
	<u>4,067,232</u>	<u>3,738,873</u>
TOTAL	<u><u>20,379,770</u></u>	<u><u>20,807,948</u></u>
NOTE 3 - CASH AND CASH EQUIVALENT ASSETS	2022	2021
	\$	\$
Cash at bank	7,435,508	1,293,756
Short term investments - bank deposits	3,184,290	8,719,001
	<u>10,619,798</u>	<u>10,012,757</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	<u>10,619,798</u>	<u>10,012,757</u>
NOTE 4 - ACCOUNTS RECEIVABLE AND OTHER DEBTORS	2022	2021
	\$	\$
Current		
Accounts receivable	351,276	391,771
Total current accounts receivable and other debtors	<u>351,276</u>	<u>391,771</u>
NOTE 5 - INVENTORIES	2022	2021
	\$	\$
Consumables on hand (at cost)	385,913	333,101
	<u>385,913</u>	<u>333,101</u>
NOTE 6 - OTHER CURRENT ASSETS	2022	2021
	\$	\$
Prepayments	77,807	79,230
	<u>77,807</u>	<u>79,230</u>

NGANAMPA HEALTH COUNCIL INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT	2022	2021
	\$	\$
Leasehold Buildings at cost	20,987,031	26,164,888
Less: Accumulated Depreciation	<u>(14,053,740)</u>	<u>(17,200,334)</u>
	<u>6,933,291</u>	<u>8,964,554</u>
Plant and Equipment at cost	2,139,228	2,534,659
Less: Accumulated Depreciation	<u>(1,400,478)</u>	<u>(1,583,334)</u>
	<u>738,750</u>	<u>951,325</u>
IT Equipment at Cost	657,777	669,459
Less: Accumulated Depreciation	<u>(566,675)</u>	<u>(606,827)</u>
	<u>91,102</u>	<u>62,632</u>
Motor Vehicles at cost	5,050,739	4,689,601
Less: Accumulated Depreciation	<u>(3,078,410)</u>	<u>(2,828,671)</u>
	<u>1,972,329</u>	<u>1,860,930</u>
Medical Equipment at cost	1,907,488	2,109,102
Less: Accumulated Depreciation	<u>(1,620,566)</u>	<u>(1,706,121)</u>
	<u>286,922</u>	<u>402,981</u>
Total Property, plant & equipment	<u><u>10,022,394</u></u>	<u><u>12,242,422</u></u>

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Leasehold buildings at cost \$	Plant & equipment - at cost \$	IT equipment - at cost \$	Motor vehicles - at cost \$	Medical equipment - at cost \$	Total \$
Balance at 1 July 2021	8,964,554	951,325	62,632	1,860,930	402,981	12,242,422
Additions	216,419	27,164	82,059	753,531	8,618	1,087,791
Disposals at book value	(1,727,462)	(87,946)	(1,838)	(47,120)	(20,303)	(1,884,669)
Depreciation expense	(520,220)	(151,793)	(51,751)	(595,012)	(104,374)	(1,423,150)
Carrying Amount at 30 June 2022	<u><u>6,933,291</u></u>	<u><u>738,750</u></u>	<u><u>91,102</u></u>	<u><u>1,972,329</u></u>	<u><u>286,922</u></u>	<u><u>10,022,394</u></u>

NOTE 8 - RIGHT OF USE ASSETS

2022
\$

2021
\$

The association's lease portfolio includes equipment, motor vehicles and buildings.

i) AASB 16 related amounts recognised in the statement of financial position

Leased Properties	268,553	268,553
Less: Accumulated Depreciation	<u>(161,132)</u>	<u>(107,421)</u>
	<u>107,421</u>	<u>161,132</u>
Leased Motor vehicles	31,388	31,388
Less: Accumulated Depreciation	<u>(21,320)</u>	<u>(14,213)</u>
	<u>10,068</u>	<u>17,175</u>
Total Right of Use Assets	<u><u>117,489</u></u>	<u><u>178,307</u></u>

Movements in carrying amounts

Movement in the carrying amounts for each class of right to use asset between the beginning and the end of the current financial year:

NGANAMPA HEALTH COUNCIL INCORPORATED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	Leased Properties \$	Leased Motor Vehicles \$	Total \$
Balance at 1 July 2021	161,132	17,175	178,307
Additions	-	-	-
Depreciation expense	(53,711)	(7,107)	(60,818)
Carrying Amount at 30 June 2022	107,421	10,068	117,489

	2022 \$	2021 \$
<i>ii) AASB 16 related amounts recognised in the statement of profit or loss</i>		
Depreciation charge related to right-of-use assets	60,818	60,818
Interest expense on lease liabilities	8,077	10,595

NOTE 9 - ACCOUNTS PAYABLE AND OTHER PAYABLES

	2022 \$	2021 \$
Current		
Unsecured liabilities:		
Accounts payable and other payables	957,412	812,589
Accrued expenses & clearing accounts	1,438,023	941,163
	2,395,435	1,753,752

Collateral Pledged

No collateral has been pledged for any of the accounts payable and other payable balances.

NOTE 10 - EMPLOYEE PROVISIONS

	2022 \$	2021 \$
Current		
Provision for annual airfare	74,883	89,559
Provision for long service leave entitlements - Current	702,460	795,236
Provision for annual leave entitlements	1,554,919	1,412,876
Provision for time in lieu entitlements	48,556	60,197
	2,380,818	2,357,868
Non- Current		
Provision for long service leave entitlements - Non-current	237,028	168,736
	237,028	168,736
Analysis of total employee provisions		
Opening balance at 1 July 2021	2,526,604	2,507,484
Additional provisions	1,403,028	1,504,991
Amounts used	(1,311,786)	(1,485,869)
Balance at 30 June 2022	2,617,846	2,526,606

Employee provisions

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(f).

NOTE 11 - ASSET REPLACEMENT RESERVE

The asset replacement reserve represents funds set aside for future replacement of the following types of assets:

	2022	2021
	\$	\$
Motor vehicles	1,715,946	2,007,688
Medical equipment	60,000	33,102
IT Equipment	60,000	23,400
Total asset replacement reserve	<u>1,835,946</u>	<u>2,064,190</u>

NOTE 12 - LEASE LIABILITIES

Lease Liability - Current
Lease Liability - Non-current

	2022	2021
	\$	\$
Lease Liability - Current	66,348	60,330
Lease Liability - Non-current	66,447	126,532
	<u>132,795</u>	<u>186,862</u>

Future lease payments in relation to lease liabilities as at period end are as follows:

Within one year	69,912	69,912
Later than one year but not later than five years	69,912	139,824
Later than five years	-	-
	<u>139,824</u>	<u>209,736</u>

NOTE 13 - RELATED PARTY DISCLOSURES

Board of Management

No member of the committee received remuneration, other than noted in this financial report, from the association in their capacity as member. No other association that the above members are associated with has received funds other than through dealings with the association in the ordinary course of business and on normal commercial terms and conditions.

Key Management Personnel Compensation

The totals of remuneration paid to key management personnel (KMP) of the association during the year are as follows:

Short Term Benefit	1,413,587	1,301,519
Post Employment Benefit	78,969	69,206
Total Compensation	<u>1,492,556</u>	<u>1,370,725</u>

Other related parties

Transactions between related parties are on normal commercial terms and under conditions no more favourable than those available to other parties unless otherwise stated.

Short Term Benefit	6,651	22,398
Post Employment Benefit	56	2,087
Total Compensation	<u>6,707</u>	<u>24,485</u>

NOTE 14: AUDITOR REMUNERATION

During the financial year the following fees were paid or payable for services provided by Basso Newman Audit Pty Ltd, the auditor of the association and related firms

	2022	2021
	\$	\$
Audit of financial statements	29,432	34,874
Tax compliance services	400	400
Total services provided by Basso Newman	<u>29,832</u>	<u>35,274</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 15 - CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2022.

NOTE 16 - CAPITAL COMMITMENTS

Significant capital expenditure contracted at the end of the reporting period but not recognised as liabilities is as follows:

	2022	2021
	\$	\$
Capital works - Clinics	2,793,039	2,797,959
Total capital expenditure not recognised as liability	<u>2,793,039</u>	<u>2,797,959</u>

NOTE 17 - EVENTS AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the incorporated association up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

NOTE 18 - ASSOCIATION DETAILS

The registered office and principal place of business of the association is :
Nganampa Health Service Incorporated
3 Wilkinson Street, Alice Springs, NT 0870

NGANAMPA HEALTH COUNCIL INCORPORATED

STATEMENT BY MEMBERS OF THE COMMITTEE

The members of the committee declare that, in the committee's opinion:

1. The financial statements and notes, as set out on pages 1 to 16, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:

- a. comply with Accounting Standards – General Purpose Financial Statements – Simplified Disclosures, and other mandatory professional reporting requirements.
- b. give a true and fair view of the financial position of the Nganampa Health Council Incorporated as at 30 June 2022 and of its performance for the year ended on that date.

2. There are reasonable grounds to believe that Nganampa Health Council Incorporated will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013 and by resolution of the board:


.....
Board member


.....
Board member

Dated this 31st day of October 2022

NGANAMPA HEALTH COUNCIL INCORPORATED

**AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 60-40 AUSTRALIAN
CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012**

To the board of Nganampa Health Council Incorporated

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



**T A Basso - Director
Basso Newman Audit Pty Ltd
Chartered Accountants
286 Flinders Street, Adelaide
Dated this 31st day of October 2022**



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NGANAMPA HEALTH COUNCIL INCORPORATED



Opinion

We have audited the financial report of Nganampa Health Council Incorporated (“the entity”) which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

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

- a) giving a true and fair view of the entity’s financial position as at 30 June 2022 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards–Simplified Disclosures and the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

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

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

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NGANAMPA HEALTH COUNCIL INCORPORATED**

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Trevor Basso - Director
Basso Newman Audit Pty Ltd
Chartered Accountants
286 Flinders Street, Adelaide
Dated this 31st day of October 2022**