

Illawarra Aboriginal Medical Service

ABN 23 886 179 327

Annual Financial Report

For the financial year ended 30 June 2022

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Directors Report

The Directors present their report together with the financial statements of Illawarra Aboriginal Medical Service (the "Corporation") for the year ended 30 June 2022.

1. Directors

The Directors of the Corporation at any time during or since the end of the financial year are:

S Morgan
S Rankmore (Secretary)
J Bell
T Bull
L Olive
W Henry
P Roberts

2. Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Name	Position	Qualifications/Experience	Appointed/Resigned
S Morgan	Chairperson	Senior Project Indigenous Project Officer	
J Bell	Director	Aboriginal Client Service Officer	
T Bull	Director	Training Advisor	
L Olive	Director	Community Worker	
S Rankmore	Secretary	Aboriginal Employment Advisor	
W Henry	Secretary	Training Officer	November 2021
P Roberts	Director	Community Member	

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

3. Secretary of the Corporation

Sheree Rankmore has been the Secretary of the Corporation since 10th of December 2019. Sheree has an Advanced Diploma in Community Management from TAFE Illawarra. She is currently employed as an Aboriginal Employment Advisor at TAFE NSW.

4. Review of operations and results of those operations

Operating results

The operating result of the Corporation amounted to a loss of \$33,665 (2021: surplus of \$143,850)

5. Principal activities

The principal activities of the Corporation during the financial year was that of an Aboriginal medical service. No significant changes in the nature of the Corporation's activity occurred during the financial year.

6. Short and long term objectives

The Corporation's short term objectives are to continue to provide Illawarra Aboriginal and Torres Strait Islander peoples with high quality, appropriate, efficient and effective primary health care and related services.

Directors Report

The Corporation's long term objectives are to continue to improve the health and wellbeing of Illawarra Aboriginal and Torres Strait Islanders.

7. Performance measures

The Corporation assesses its performance in terms of its achievement of strategic and financial objectives with reference to:

- the quality of the service and facilities provided to Illawarra Aboriginal and Torres Strait Islander peoples; and
- the stability of the balance sheet with respect to the Corporation's liquidity and levels of debt.

8. Members guarantee

Under the rules of the Corporation's Constitution, members are not liable for any debts of the Corporation if it were ever to be wound up. The Constitution also prohibits distributions being made to members.

9. Meeting of directors

Name	Number Eligible to Attend	Number Attended
S Morgan	10	10
T Bull	10	10
J Bell	10	9
L Olive	10	6
S Rankmore	10	10
W Henry	7	3
P Roberts	10	9

10. 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 xxx of the financial report.

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

Directors Report



S Morgan
Director
Date:



S Rankmore (Secretary)
Secretary
Date:

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022	2021
		\$	\$
Revenue	2	5,051,690	4,362,780
EXPENSES			
Depreciation and Amortisation		(423,259)	(280,500)
Employee Benefits Expense		(2,851,499)	(2,768,612)
Project and Programming Expenses		(732,255)	(444,380)
Building Related Expenses		(153,387)	(206,502)
Other Expenses		(924,955)	(518,936)
Total Expenses		(5,085,355)	(4,218,930)
Profit/(Loss) for the year		(33,665)	143,850
Other Comprehensive Income		-	-
Total Comprehensive Income		(33,665)	143,850

Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	4,241,993	4,749,764
Trade and Other Receivables	4	100,053	171,808
Total Current Assets		4,342,046	4,921,572
NON CURRENT ASSETS			
Investments at FVTPL	5	13,862	16,214
Property, Plant and Equipment	6	1,525,055	1,306,023
ROU Assets	7	294,234	375,091
Total Non Current Assets		1,833,151	1,697,328
Total Assets		6,175,197	6,618,900
LIABILITIES			
CURRENT LIABILITIES			
Credit Cards and Overdrafts	3	-	5,094
Trade and Other Payables	8	780,117	1,223,029
Borrowings	9	94,408	68,829
Provisions	10	170,383	155,171
Total Current Liabilities		1,044,908	1,452,123
NON CURRENT LIABILITIES			
Borrowings	9	239,448	241,993
Provisions	10	23,304	23,582
Total Non Current Liabilities		262,752	265,575
Total Liabilities		1,307,660	1,717,698
Net Assets		4,867,537	4,901,202
EQUITY			
Retained Earnings	11	4,867,537	4,901,202
Total Equity		4,867,537	4,901,202

Statement of Changes in Equity

For the year ended 30 June 2022

	Note	Retained Earnings \$	Total \$
Balance at 1 July 2020		4,757,352	4,757,352
Profit		143,850	143,850
Total Comprehensive Income		143,850	143,850
Balance at 30 June 2021		4,901,202	4,901,202
Loss		(33,665)	(33,665)
Total Comprehensive Income		(33,665)	(33,665)
Balance at 30 June 2022		4,867,537	4,867,537

Cash Flow Statement

For the year ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from funding bodies and customers	5,073,682	5,006,319
Payments to suppliers and employees	(4,994,639)	(4,214,140)
Interest received	10,115	24,653
Finance costs	(35,341)	(20,004)
Net cash provided by operating activities	53,817	796,828
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(441,705)	(239,516)
Proceeds from sale of fixed assets		
Net cash used by investing activities	(441,705)	(239,516)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(114,789)	(175,836)
Net cash used by financing activities	(114,789)	(175,836)
Net increase in cash and cash equivalents held	(502,677)	381,476
Cash and cash equivalents at beginning of year	4,744,670	4,363,194
Cash and cash equivalents at end of financial year	4,241,993	4,744,670

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Notes to the Financial Statements

For the year ended 30 June 2022

Note 1 Accounting Policies

REPORTING ENTITY

Illawarra Aboriginal Medical Service (the 'Corporation') is domiciled in Australia. The Corporation's registered office is at 150 Church Street, NSW, WOLLONGONG, 2500.

The Corporation is a non-for-profit entity and is primarily involved in providing primary healthcare services via its Dapto and Wollongong medical clinics, and a wide range of related services, including dental and substance misuse services.

The functional and presentation currency of Illawarra Aboriginal Medical Service is Australian dollars.

BASIS OF PREPARATION

These financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*. They have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures made by the Australian Accounting Standards Board and Interpretations of the Australian Accounting Standards Board.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

These financial statements were authorised for issue by the Board of Directors as of the date of the Directors Declaration.

CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below:

Notes to the Financial Statements

For the year ended 30 June 2022

Key estimates - impairment of property, plant and equipment

The Corporation assesses impairment at the end of each reporting period by evaluating conditions specific to the Corporation that may be indicative of impairment triggers.

Key estimates - Useful lives of depreciable assets

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

Key estimates - Employee entitlements

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made judgements and estimates that affect the application of the Corporation's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Details of the specific judgement, estimates and assumptions that have the most significant effects on the amounts recognised in the financial statements are summarised in the Notes.

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Corporation has initially adopted the following standard and amendments from 1 July 2021.

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

The above standard and amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

A number of other new standards are also effective from 1 July 2021 but they do not have a material effect on the Corporation's financial statements.

Notes to the Financial Statements

For the year ended 30 June 2022

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is recognised and measured at the fair value of the consideration or contributions received, net of goods and services tax ("GST") or similar taxes, to the extent it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured.

INCOME TAX

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

PROPERTY PLANT & EQUIPMENT

i. Recognition and measurement

Assets are measured using the cost model, where the asset is carried at its cost less any accumulated depreciation and impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of costs of dismantling and restoring the asset, where applicable.

Assets that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

ii. Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

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

Fixed Asset Class	Depreciation Rate
Buildings	2.5 - 10%
Plant and Equipment	10 - 20%
Office Equipment	20 - 50%
Furniture and Fittings	5 - 33%
Motor Vehicles	30%

Notes to the Financial Statements

For the year ended 30 June 2022

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

	Land and Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Total
Balance at the beginning of the year	966,122	73,170	87,307	102,058	77,367	1,306,024
Additions	238,824	41,683	-	16,364	144,834	441,705
Reclassification from right-of-use assets	-	-	-	74,259	-	74,259
Adjustments to PPE	-	-	(4)	15,106	-	15,102
Depreciation	(191,157)	(20,974)	(11,258)	(40,998)	(47,648)	(312,035)
Balance at the end of year	1,013,789	93,879	76,045	166,789	174,553	1,525,055

CASH AND CASH EQUIVALENTS

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

FINANCIAL INSTRUMENTS

i. Recognition and initial measurement

Financial instruments are recognised initially on the date that the Corporation becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

ii. Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Corporation classifies its financial assets into the following categories, those measured at:

Notes to the Financial Statements

For the year ended 30 June 2022

amortised cost; or
fair value through profit or loss - FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Corporation changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Corporation's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and other financial assets in the balance sheet.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment losses are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Corporation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Corporation's historical experience and informed credit assessment and forward looking information.

Notes to the Financial Statements

For the year ended 30 June 2022

The Corporation uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Corporation uses the presumption that a financial asset is in default when:

the other party is unlikely to pay its credit obligations to the Corporation in full, without recourse to the Corporation to actions such as realising security (if any is held); or the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Corporation in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Corporation has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in bad debt expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Corporation renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

iii. Financial liabilities

Subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Corporation comprise trade and other payables and lease liabilities.

Notes to the Financial Statements

For the year ended 30 June 2022

EMPLOYEE BENEFITS

i. Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Other long-term employee benefits

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. 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 end of the reporting period of high quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the Corporation does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Current	2022	2021
Annual leave and personal leave	118,490	124,456
Long service leave	51,893	30,715
Total	170,383	155,171
Non-Current	2022	2021
Long service leave	23,304	23,582

INTERESTS OF KEY MANAGEMENT PERSONNEL

The total remuneration paid to key management personnel of the Corporation was \$202,246 (2021: \$228,773).

Notes to the Financial Statements

For the year ended 30 June 2022

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In the opinion of the Directors, the Corporation did not have any contingencies at 30 June 2022 (2021: None).

LEASES

At inception of a contract, the Corporation assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.

The Corporation has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

The Corporation has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

LESSEE ACCOUNTING

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

iii. Right-of-use asset

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

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

The right-of-use asset is depreciated over the lease term or the assets estimated useful life on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

iv. Lease liability

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

Notes to the Financial Statements

For the year ended 30 June 2022

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

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

REVENUE & OTHER INCOME

REVENUE FROM CONTRACTS WITH CUSTOMERS

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Corporation expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Corporation have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

The revenue recognition policies for the principal revenue streams of the Corporation are:

Notes to the Financial Statements

For the year ended 30 June 2022

Rendering of services

The Corporation earns revenue from provision of professional services, incorporating consulting advice. Revenue is recognised over time in the accounting period when services are rendered.

Sales

Revenue is recognised at the point the customer purchases the goods and services. Payment of the transaction price is due immediately at the time of purchase.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when there is reasonable assurance that the grant will be received and all grant conditions will be met, it is probable that the economic benefits gained from the grant will flow to the Corporation and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Corporation incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the balance sheet as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Corporation receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the balance sheet, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

IMPAIRMENT OF ASSETS

At the end of each reporting period the Corporation determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Notes to the Financial Statements

For the year ended 30 June 2022

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

COMPARATIVE AMOUNTS

Comparatives are consistent with prior years, unless otherwise stated.

TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at the transaction price (ie cost). Most sales are made on the basis of normal credit terms and do not bear interest. Receivables are not discounted to present value.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. Debts are written off once attempts at recovery of the debt have ceased.

Notes to the Financial Statements

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Note 2 Revenue and Other Income			
DISAGGREGATION OF REVENUE			
Grants Revenue		4,330,784	3,330,675
Medicare receipts		603,638	730,507
PIP Receipts		61,771	178,862
Interest Received		10,115	24,653
Sundry Income		45,382	98,083
Total		5,051,690	4,362,780

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated the following table shows this breakdown:

	Note	2022 \$	2021 \$
Timing of revenue recognition			
- Over time		4,330,784	3,330,676
- At a point of time		-	-
Revenue from contracts with customers		4,330,784	3,330,676

Notes to the Financial Statements

For the year ended 30 June 2022

Note 3 Cash and Cash Equivalents

RECONCILIATION OF CASH

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2022	2021
Note	\$	\$
Cash and Bank Balances	4,241,630	4,749,764
Credit Cards and Overdrafts	363	(5,094)
	4,241,993	4,744,670

Note 4 Trade and Other Receivables

CURRENT

	2022	2021
Note	\$	\$
Prepayments	49,542	87,114
Accounts Receivable	32,833	65,939
Sundry Debtors	5,239	-
GST Receivable	12,439	18,755
Total Current Trade and Other Receivables	100,053	171,808

IMPAIRMENT OF RECEIVABLES

The Corporation applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2022 incorporates forward looking information.

	2022	2021
Note	\$	\$
Investments	13,862	16,214
Total Investments at FVTPL	13,862	16,214

Notes to the Financial Statements

For the year ended 30 June 2022

Note 6 Property, Plant and Equipment

	2022	2021
Note	\$	\$
LAND AND BUILDINGS		
Property Improvements		
Leasehold Improvements at Cost	413,807	207,569
Less Accumulated Depreciation	(128,784)	(37,984)
Total Property Improvements	285,023	169,585
Buildings at cost		
Land & Buildings at Cost	2,091,858	2,091,858
Less Accumulated Depreciation	(1,363,092)	(1,295,321)
Total Buildings at cost	728,766	796,537
Total Land and Buildings	1,013,789	966,122
PLANT AND EQUIPMENT		
Office Equipment		
Office Equipment at Cost	290,451	424,382
Less Accumulated Depreciation	(115,898)	(347,015)
Total Office Equipment	174,553	77,367
P&E Medical		
Plant & Medical Equipment at Cost	182,706	261,685
Less Accumulated Depreciation	(88,827)	(188,515)
Total P&E Medical	93,879	73,170
Total Plant & Equipment	268,432	150,537
Motor Vehicles		
Motor Vehicles at Cost	330,763	194,576
Less Accumulated Depreciation	(163,974)	(92,518)
Total Motor Vehicles	166,789	102,058
Furniture & Fittings		
Furniture & Fittings at Cost	125,984	152,768
Less Accumulated Depreciation	(49,939)	(65,462)
Total Furniture & Fittings	76,045	87,306
Total Property, Plant and Equipment	1,525,055	1,306,023

Notes to the Financial Statements

For the year ended 30 June 2022

Note 7 Leases

CORPORATION AS A LESSEE

The Corporation has leases over business premises, IT equipment and motor vehicles. Information relating to the leases in place and associated balances and transactions are provided below.

TERMS AND CONDITIONS OF LEASES

Business premises

Lease on business premises in Wollongong CBD is for 36 months with a option to extend for a further 36 months.

IT Equipment

Leases over the IT equipment are for a period of 60 months with no option to renew.

Motor vehicles

Motor vehicle leases have a remaining term ranging between 1 to 3 years. Repayments are fixed over the lease term and there is no option for renewal.

i. Right-of-Use Assets

Right-of-use assets related to leased properties are presented as property, plant and equipment.

Year ended 30 June 2022	Office Equipment	Motor Vehicles	Land and Buildings	Total
	\$	\$	\$	\$
Balance at 1 July 2021	14,414	89,369	271,308	375,091
Additions to Right-of-Use Assets	-	-	112,533	112,533
Depreciation Charge for the Year	(4,096)	(15,105)	(92,021)	(111,222)
Adjustments to ROU assets	6,598		(14,502)	(7,904)
Disposals	-	(74,264)	-	(74,264)
Balance at 30 June 2022	16,916	-	277,318	294,234
Year ended 30 June 2021	Office Equipment	Motor Vehicles	Land and Buildings	Total
	\$	\$	\$	\$
Balance at 1 July 2020	49,373	87,826	44,704	181,903
Additions to Right-of-Use Assets	-	44,818	305,222	350,040
Depreciation Charge for the Year	(34,959)	(13,436)	(78,618)	(127,013)
Adjustments to ROU assets	-	-	-	-
Disposals	-	(29,839)	-	(29,839)
Balance at 30 June 2021	14,414	89,369	271,308	375,091

Notes to the Financial Statements

For the year ended 30 June 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Corporation is a lessee are shown below:

	2022	2021
Note	\$	\$
Interest expense on lease liabilities	(33,876)	(17,116)
Depreciation of right-of-use assets	(111,222)	(127,013)
	(145,098)	(144,129)

	2022	2021
Note	\$	\$
Note 8 Trade and Other Payables		
CURRENT		
Payroll Liabilities	115,398	132,228
Accounts Payable	184,072	190,398
Income in Advance	461,997	875,403
Sundry creditors and accruals	18,650	25,000
Total Current	780,117	1,223,029

	2022	2021
Note	\$	\$
Note 9 Loans and Borrowings		
CURRENT		
Lease Liability	94,408	68,829
Total Current	94,408	68,829

NON-CURRENT		
Lease Liability	239,448	241,993
Total Non-Current	239,448	241,993

	2022	2021
Note	\$	\$
Note 10 Provisions		
CURRENT		
Provision for Annual Leave	118,490	112,227
Provision for Long Service Leave	51,893	30,715
Provision for Sick Leave	-	12,229
Total Current	170,383	155,171

Notes to the Financial Statements

For the year ended 30 June 2022

Note 10 Provisions	Note	2022	2021
		\$	\$
NON-CURRENT			
Provision for Long Service Leave		23,304	23,582
Total Non-Current		23,304	23,582

Note 11 Retained Earnings	Note	2022	2021
		\$	\$
Opening Balance		3,127,757	2,998,280
Current Year Earnings		(33,665)	143,850
Retained Earnings - Restricted Funds		1,773,445	1,759,072
Total Retained Earnings		4,867,537	4,901,202

Note 12 Related Parties

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

KEY MANAGEMENT PERSONNEL TRANSACTIONS WITH THE CORPORATION

From time-to-time members of Key Management Personnel will utilise services provided by the Corporation. These transactions are on normal commercial terms and conditions no more favourable than those available to other members of the Aboriginal community unless otherwise stated. Such transactions are considered trivial and domestic in nature and hence are not required to be disclosed any further.

Note 13 Auditors Remuneration

Remuneration of Daley for:	2022	2021
	\$	\$
Audit of financial report	26,650	25,000
Other services	27,850	13,320
Total	54,500	38,320

Note 14 Cash flow information

RESTRICTED FUNDS

It is a condition of the primary health care funding received from the Commonwealth Department of Health, that all Medicare income received by the Corporation must be applied to the delivery of primary health care services, including the cost of acquiring or renting suitable facilities from which to provide these services. Within the cash at bank balances of the Corporation, accumulated surpluses of \$1,773,445 (2021: \$1,759,072) have been carried forward for these purposes.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 15 Economic Dependency and Support

The Corporation is reliant on the continued direct and indirect funding of the Department of Health, Department of Prime Minister & Cabinet, NSW Health Department, Family and Community Service, NSW Rural Doctors Network and Coordinare. This is recurrent operational grant income, thus allowing the ongoing delivery of programs to our members and communities.

The net revenue provided from these sources is \$4,330,784 (2021: \$3,330,675).

In conducting its overall service delivery activities, the Corporation earns fee for service income allowing it to fund any carried forward deficits that may occur from time to time in the various State and Federally funded programs.

Note 16 Subsequent Events

The financial report was authorised for issue on February 2023 by the Board of Directors.

Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Corporation, the results of those operations, or the state of affairs of the Corporation in subsequent financial periods.

Note 17 Maturity Analysis of Future Lease Cashflows

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

	2022	2021
	\$	\$
Within one year	96,685	98,669
Later than one year but not later than five years	251,567	365,053
Later than five years	-	-
Total	348,252	463,722

Directors Declaration

The Directors of the Corporation declare that:

1. The financial statements and notes, are in accordance with the *Corporation (Aboriginal and Torres Strait Islander) Act 2006* (and its regulations) and;
 - a) the comply with Australian Accounting Standards - Simplified Disclosures and;
 - b) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that dare of the Corporation.
2. In the Directors' opinion, there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.
3. The Directors are satisfied that:
 - a) the grant funds provided have been used for the agreed purpose and that all terms and conditions of the grants have been complied with;
 - b) the attached financial statements are compiled accurately from the financial records and data of the Corporation;
 - c) adequate provision has been made for legitimate future statutory and other liabilities of our Corporation including, but not limited to taxation liabilities, accumulated staff leave entitlements and replacement of assets, except for land;
 - d) appropriate and adequate insurance has been maintained, and certificates of currency have been supplied to the qualified auditor;
 - e) all purchased of assets, goods and services have complied with the relevant procurement policies of the Corporation and those requirements of the relevant funding agency for the requirement of an open, fair and transparent process;
 - f) an accurate and complete register of assets has been maintained and reflects all additions and disposals of assets during the year ended 30 June 2022;
 - g) the Corporation has discharged its statutory obligations in relation to taxation, insurance, employee entitlements and the lodgement of statutory returns and financial statements;
 - h) the financial controls in place with the Corporation are adequate;
 - i) the administration expenses and overhead costs of the Corporation were reasonably apportioned across all sources and funds; and
 - j) all reports have been formerly endorsed at a properly constituted Board Meeting and recorded in the minutes of that meeting.

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



S Morgan
Director
Date:



S Rankmore (Secretary)
Secretary
Date:

Auditor's Report and Independence Declaration

For the year ended 30 June 2022

Illawarra Aboriginal Medical Service
ABN 23 886 179 327

Auditor's Report and Independence Declaration

For the year ended 30 June 2022

Auditor's Report and Independence Declaration

For the year ended 30 June 2022

Illawarra Aboriginal Medical Service
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Auditor's Report and Independence Declaration

For the year ended 30 June 2022

Illawarra Aboriginal Medical Service
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Disclaimer

For the year ended 30 June 2022

Detailed Operating Statement

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	2	5,051,690	4,362,780
EXPENSES			
Accountancy Fees		24,941	27,854
Advertising		1,248	23,975
Audit Fees		27,927	24,997
Bank Fees		992	1,330
Change in Investment Gain		2,352	-
Cleaning		60,521	52,976
Clinical waste and sanitation		6,120	5,173
Consulting		123,904	54,463
Contractor expenses		382,051	46,844
Covid 19 Expenses		8,803	32,116
Depreciation		423,259	280,500
Directors Meeting Expenses		9,565	7,510
Donations		2,280	5,248
Electricity		25,063	27,172
Employee Entitlements		-	(87,761)
Entertainment		252	-
Equipment		8,861	36,208
Equipment R & M		11,638	13,495
FBT Return		10,076	14,316
Fines		888	-
Freight Charges		259	-
Insurance		89,233	78,928
Interest Expense		35,341	20,005
Legal Fees		3,901	23,467
Loss on Sale of Fixed Assets		46,417	-
Motor Vehicle Expenses		81,286	54,784
Office Supplies		13,918	12,203
Payroll Expenses		2,851,499	2,768,612
Petty Cash		438	-
Postage		5,965	3,312
Printing		12,683	8,318
Programme Expenses		121,239	188,082
Promotion		162,315	1,171
R & M Building		40,778	24,190
Rates		30,695	1,288
Relocation cost		2,115	22,196
Security		10,489	5,073

Detailed Operating Statement

For the year ended 30 June 2022

	2022	2021
Note	\$	\$
Sponsorship	2,628	25,208
Staff Amenities	4,933	15,344
Staff Meetings	4,274	5,963
Staff Recruitment	9,486	9,312
Staff Training & Support	53,131	23,630
Storage	3,335	8,169
Subscriptions	31,070	39,397
Sundry Expenses	-	1,129
Supplementary Services	20,101	49,566
Supplies	21,525	64,124
Support Charges	220,893	130,802
Telephone expenses	60,841	54,551
Travel and Accommodation	12,985	13,407
Uniforms	840	284
Total Expenses	5,085,355	4,218,930
Profit/(Loss)	(33,665)	143,850