

The Aboriginal Health & Medical Research Council of NSW

Annual Report 2012-13



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The Aboriginal Health and Medical Research Council of New South Wales

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[ABN 66 085 654 397]

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About the cover

Cover art: Steve Morgan

About the artist:

Steve Morgan is a Gamilaraay man from Walgett, North South Wales. Steve is an emerging artist now living in Sydney. His passions include music, art and being around the mob.

About the artwork:

The Cycle of Life No. 3

The four corners represent the four seasons. Each season has a specific role in the growth cycle. The circle in the centre depicts a seed that is affected by the four seasons. The community is always present and needs to be nurtured and strengthened throughout the four seasons.

The AH&MRC wishes to advise people of Aboriginal descent that this document may contain images of persons now deceased.

Aboriginal Health and Medical Research Council of New South Wales

Financial Report for the Year Ended 30 June 2013

[ABN 66 085 654 397]

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DIRECTOR'S REPORT

Aboriginal Health & Medical Research Council of New South Wales
[ABN 66 085 654 397]

Directors' Report

Your Directors present this report on the Aboriginal Health and Medical Research Council of NSW (AH&MRC) for the financial year ended 30 June 2013.

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

Central Coast	Catherine Sinclair	
Central Tablelands	Donna Taylor	
Central West	Tim Horan	
Far South Coast	Anne Greenaway	Elected August 2012
Far West	Pam Handy	
Illawarra	Craig Ardler	Resigned as Director March 2013
Illawarra	Ivern Ardler	Appointed to Director March 2013
Lower Central West	Valda Keed	
Metropolitan	Dea Delaney-Thiele	Resigned as Director May 2013
Murray River	Rochelle Patten	
North Coast	David Kennedy	
North West	Christine Corby	
Riverina	Selena Lyons	

The name of each person who attended a Board Meeting as an Alternate Director during the year and to the date of this report are:

Far West	Daniel Kelly	
Murray River	Ray Ahmat	
North Coast	Scott Monaghan	
North West	Victoria Jones	Appointed Alternate Direct October 2012; Resigned December 2012

The Company's Principal Activities

The principal activities of the AH&MRC during the financial year were to:

- Lead the Aboriginal health agenda for better policies, programs, services and practices.
- Ensure Aboriginal knowledge informs decision-making processes.
- Support, strengthen and sustain Aboriginal Community Controlled Health Services (ACCHSs).

The company's short-term objectives are to:

- Strengthen the capacity of ACCHSs in NSW to deliver high-quality, comprehensive wholistic primary health care services.
- Consolidate growth and performance of the AH&MRC to ensure capacity to achieve our strategic objectives.
- Increase the involvement and effectiveness of the AH&MRC in decision-making regarding Aboriginal health in NSW.
- Ensure Aboriginal health programs and services are effective, sustainable and reflect local Aboriginal community needs.

The company's long-term objectives are to:

- Improve the health of Aboriginal peoples across NSW;
- Increase Aboriginal people's access to ACCHSs, which provide culturally appropriate and high-quality comprehensive primary health care.
- Increase acceptance and respect for Aboriginal Community Control as a best-practice model for achieving Aboriginal health improvement.
- Achieve universal recognition of the AH&MRC as the lead representative organisation on Aboriginal health in NSW.

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

- Advocate for early and active involvement, including local level involvement, in all decision-making processes that impact on the health of Aboriginal people in NSW.
- Develop, refine and promote AH&MRC policy positions that respond to the aspirations and needs of ACCHSs and current health environment and policy agendas.
- Foster and support strong leadership, governance and management within the AH&MRC and member ACCHSs.

- Support AH&MRC member ACCHSs with high-quality practical and technical advice that helps maximise funding opportunities to develop, extend or strengthen sustainable health programs and services that reflect the priority needs of their communities.
- Establish effective continuous quality improvement processes which will strengthen the capacity of AH&MRC members to evaluate their services and programs.
- Promote and support long-term, comprehensive, needs-based, local health and state-wide planning that is linked to funding commitments.
- Strengthen the effectiveness of partnership agreements between the AH&MRC and government and non-government agencies.
- Promote Aboriginal health as a career and support the development of the Aboriginal health workforce by helping to improve the recruitment, training and retention of appropriately skilled health professionals in NSW ACCHSs.
- Advocate for, and support, the development of sustainable, evidence-informed and culturally appropriate Aboriginal health programs and services.
- Implement the AH&MRC Strategic Plan by developing detailed business plans for each of the four identified priority areas: self determination, relationships, workforce development, and health services and programs.

Key Performance Measures

Activity	Actual	2013 Benchmark
Hold quarterly meetings of the AH&MRC Board of Directors and an Annual General Meeting (AGM)	100%	100%
Hold quarterly Financial and Risk Management Committee meetings	100%	100%
All of the new AH&MRC Directors will be provided with a Directors' induction manual and orientation program	100%	100%
Hold meetings of the AH&MRC Ethics Committee every eight weeks	100%	100%
Ensure all AH&MRC annual reports to funding bodies are submitted in accordance with the Accounting and Auditing Standards	100%	100%
Ensure that quarterly Financial Statements, in accordance with the standards set by the Committee, are presented to the AH&MRC Finance and Risk Management Committee as well as the Board of Directors	100%	100%
Ensure the AH&MRC Compliance Register is current and accurate and all requirements are followed and reported to the Board of Directors	100%	100%
Comply with funding bodies' contractual and reporting requirements by producing a Business Plan	100%	100%
Implement recommendations outlined in the AH&MRC Quality Workplan within the 3-year period to achieve re-accreditation to the QIC Standards	Yes	Yes
Achieve standards to ensure re-accreditation of the Aboriginal Health College as an RTO within the 5-year time frame	Yes	Yes
Ensure every employee will be employed against an approved position description	80%	90%
Increase percentage of Aboriginal staff working at the AH&MRC	44%	50%

DIRECTOR'S REPORT

Aboriginal Health & Medical Research Council of New South Wales
[ABN 66 085 654 397]

Information on Directors

Mrs Christine Corby, Chairperson

Qualifications	Diploma in Health Sciences, University of Sydney; Graduate Diploma in Health Management, University of New England; Diploma of Business Management, Aboriginal Health College; Justice of the Peace.
Experience	CEO since 1986 at Walgett AMS; Director on the Board of the National Aboriginal Community Controlled Health Organisation (NACCHO); Chairperson of Bila Muuji Aboriginal Health Service Incorporated; Chairperson of the Walgett Gamilaraay Aboriginal Community Working Party (WGACWP); Committee member of NSW Health Ministerial Advisory Committee (HMAC); Committee member of NSW Kids and Families Board; Committee member of the Far West NSW Medicare Local Limited (FWML); Recognised community elder, demonstrated active participation in Aboriginal Affairs and in AH&MRC Directors Governance.
Special Responsibilities	Chairperson of AH&MRC Board, AH&MRC Finance and Risk Management Committee (FARM); AH&MRC Standing Committee on Constitution Reform; AH&MRC Remuneration and Performance Appraisal Committee; NACCHO Representative.

Mr Craig Ardler, Illawarra — resigned from the Board 20 March 2013

Experience	Current Chairman of the Booderee National Park (Joint Board); current Chairman of the Wreck Bay Aboriginal Community Council (WBACC); served on WBACC Executive on a number of occasions since 1989; previous member of WBACC Audit Committee; Previous Deputy Chairman of WBACC; previous ATSIC Regional Councillor.
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Ms Dea Delaney-Thiele, Metropolitan — resigned from the Board 25 May 2013

Qualifications	Post Graduate Diploma in Health Management, University of New England; Advanced Diploma AHW Community Care.
Experience	Formerly Deputy CEO and CEO of AMS Western Sydney, formerly Daruk Aboriginal Community Controlled Medical Service Co-op; former Director of Western Sydney Area Health Service, former Director of New Children's Hospital, Westmead; former CEO of NACCHO.

Anne Greenaway, Far South Coast

Qualifications	Bachelor of Arts, Masters of Letters (History); Diploma of Business (Management); Certificate IV Governance and Cert IV Assessment and Training.
Experience	Currently Deputy Chair, Katungul Aboriginal Corporation Community and Medical Services and Chief Executive Officer, Merrimans Local Aboriginal Land Council. Previous Chief Executive Officer, Katungul Aboriginal Corporation Community & Medical Services and South Coast Medical Service Aboriginal Corporation; Recognised community elder, demonstrated active participation in Aboriginal Affairs and in AH&MRC Directors Governance.

Ms Pam Handy, Far West

Qualifications	Associate Diploma in Adult Education, University of Technology, Sydney; Aboriginal Education Assistants Certificate, University of Sydney; Advanced Certificate in Koori Community Management and Development – Professional Development; Advanced Certificate in Koori Community Management & Development – Communication Skills; NSW Aboriginal Land Council Governance Training; Coomealla Health Aboriginal Corporation Governance Training; NSW Youth Sector "Train the Trainer" Program, ATSIC Community "Train the Trainer" Program.
Experience	Over 30 years' experience negotiating and advocating on behalf of Aboriginal Communities at local, regional, state and national levels. Recognised community elder, demonstrated active participation in Aboriginal Affairs, in particular community development. AH&MRC Board member 1995-2002, 2011-2013. Participation in AH&MRC Directors Governance.
Special Responsibilities	AH&MRC Human Rights Sub-Committee.

Mr Tim Horan, Central West

Qualifications	Advanced Diploma in Business Management; Diploma of OHS; Member of the Australian Institute of Managers; Member of the Australia Institute of Company Directors.
Experience	6 years' experience in the Aboriginal Community Controlled Health sector at local, regional, state and national levels; 4 years as AH&MRC Director; 9 years as Mayor of Coonamble Council; Recognised community elder, demonstrated active participation in Aboriginal Affairs and in AH&MRC Directors Governance.
Special Responsibilities	Member of AH&MRC Remuneration and Performance Appraisal Committee.

Mrs Val Keed, Lower Central West

Qualifications	Accounting Certificate, TAFE.
Experience	Founding member of AH&MRC (formerly AHRC); acted as either Director or Alternate Director for many years; founding member and current Chairperson of Peak Hill Aboriginal Medical Service; active member of a wide range of local and state Aboriginal organisations; long term participant in Aboriginal Health matters at local, regional, state and national levels; Recognised community elder, demonstrated active participation in Aboriginal Affairs and in AH&MRC Directors Governance.
Special Responsibilities	Chairperson of AH&MRC Human Research Ethics Committee; NACCHO Representative.

Mr David Kennedy, North Coast

Qualifications	Train the Trainer (prior to Cert IV Training and Assessment), Management Certificate UNE, Mental Health First Aid, Solution Focused Brief Intervention Therapy, Westerman Model Aboriginal Youth, Muuramali Program, Governance training through MNC LHD Board and NSW ALC Board and NACCHO Board.
Experience	11 years' experience in Aboriginal Community Controlled Health sector; a mentor for the Australian College of Health Service Executives; former Chair, Many Rivers Alliance; current Director Mid North Coast Local Health District. Manager Aboriginal Aged and Disability Care service. Participation in International Indigenous Peoples' Village Indigenous Governance pilot project. Member of NACCHO Constitution Committee. Recognised community elder, demonstrated active participation in Aboriginal Affairs and in AH&MRC Directors Governance.
Special Responsibilities	Member of AH&MRC Finance and Risk Management Committee (FARM); AH&MRC Standing Committee on Constitution Reform.

Ms Selena Lyons, Riverina

Qualifications	Diploma in Practice Management; Diploma in Legal Advocacy; Certificate IV in Medical Administration.
Experience	CEO of Riverina Medical and Dental Aboriginal Corporation; 21 years engaged in planning and delivery of Aboriginal health programs; Recognised community elder, demonstrated active participation in Aboriginal Affairs and in AH&MRC Directors Governance.
Special Responsibilities	Member of AH&MRC Remuneration and Performance Appraisal Committee; AH&MRC Human Rights Sub-Committee.

Ms Rochelle Patten, Murray River

Qualifications	Masters in Environmental Studies, Deakin University; Diploma in Environmental Studies, Deakin University; Certificate Welfare Assistants, Watsonia Institute.
Experience	Founding member and current Chair of the Cummeragunja Housing and Development Aboriginal Corporation (17 years); 2012 Melbourne Museum – Bunjilaka Restoration Project; Victorian Culture 10 Year Plan; long and active involvement in a wide range of Aboriginal organisations; advising Magistrate of Koori Court (10 years); active representation on a broad range Aboriginal issues at local, regional, state, national and international levels; Recognised community elder, demonstrated active participation in Aboriginal Affairs and in AH&MRC Directors Governance.
Special Responsibilities	Member of AH&MRC Human Research Ethics Committee.

DIRECTOR'S REPORT

Aboriginal Health & Medical Research Council of New South Wales
[ABN 66 085 654 397]

Mrs Cathie Sinclair, Central Coast

Qualifications	Diploma Business Management; Diploma of Audiometry; Certificate IV of Business – Frontline Management.
Experience	16 years' experience working in Aboriginal health and advocating for Aboriginal communities at local, regional and state levels. Recognised community elder, demonstrated active participation in Aboriginal Affairs and in AH&MRC Directors Governance.
Special Responsibilities	Member of AH&MRC Finance and Risk Management Committee (FARM); AH&MRC Standing Committee on Constitution Reform.

Mrs Donna Taylor, Central Tablelands

Qualifications	Certificate IV of Business – Frontline Management.
Experience	CEO Pius X Aboriginal Corporation since 2004. Over 15 years of active representation on a broad range Aboriginal issues, advocating and negotiating at local, regional, state and national levels. Recognised community elder, demonstrated active participation in Aboriginal Affairs and in AH&MRC Directors Governance.

Meetings of Directors

Region	Name	Years as Director	Directors meetings eligible to attend	Directors meetings attended
Central Coast	Ms Catherine Sinclair	9	4	4
Central Tablelands	Ms Donna Taylor	4	4	3
Central West	Mr Tim Horan	4	4	2
Far South Coast	Ms Anne Greenaway	1	4	3
Far West	Ms Pam Handy	2	4	2
Illawarra	Mr Craig Ardler*	2	3	2
Illawarra	Mr Ivern Ardler	2	1	0
Lower Central West	Ms Valda Keed	15	4	4
Metropolitan	Ms Dea Delaney-Thiele**	2	4	2
Murray River	Ms Rochelle Patten	12	4	2
North Coast	Mr David Kennedy	8	4	3
North West	Ms Christine Corby	16	4	3
Riverina	Ms Selena Lyons	2	4	3
Central West (Alt)	Mr Cecil See***	5	2	1
Murray River (Alt)	Mr Ray Ahmat***	2	2	2
North Coast (Alt)	Mr Scott Monaghan***	2	1	1

* Resigned as Director March 2013

** Resigned as Director May 2013

*** Attended as Alternate Director

Company Secretary

The following persons held the position of AH&MRC Secretary at the end of the financial year:

Ms Sandra Bailey — CEO, Aboriginal Health and Medical Research Council of NSW, has held the position of Company Secretary since 2006.

Mr John Hendry — Legal and Policy Officer, Aboriginal Health and Medical Research Council of NSW, has held the position of joint Company Secretary since May 2011.

Incorporation

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2013, the total amount that members of the company are liable to contribute if the company is wound up is \$480 (2012: \$490).

AUDITOR'S INDEPENDENCE DECLARATION

Aboriginal Health & Medical Research Council of New South Wales
[ABN 66 085 654 397]



The lead auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 48 of the financial report.

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

A handwritten signature in black ink, appearing to read 'Corby, OAM'.

Mrs **Christine Corby**, OAM

Dated this 19th day of August 2013

Supported by the NSW Ministry of Health

Location	Postal Address	Contact	ABN
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AUDITOR'S INDEPENDENCE DECLARATION

Aboriginal Health & Medical Research Council of New South Wales
[ABN 66 085 654 397]

A. F. WALLIS & CO. PTY LTD

ABN 90 075 605 122



Chartered Accountants

Auditor's Independence Declaration Under S 307c of the Corporations Act 2001 to the Directors of the Aboriginal Health and Medical Research Council of New South Wales

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there have been no contraventions:

- i. of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. of any applicable code of professional conduct in relation to the audit.

A.F. Wallis & Co.
Chartered Accountants

A.F. Wallis

Dated this 16th day of August 2013

Liability limited by a scheme approved under
Professional Standards Legislation

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Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2013

	NOTE	2013 \$	2012 \$
Revenue	2	10,661,633	7,329,332
Other income	2	949,338	690,338
Employee benefits expense		(4,934,909)	(4,446,026)
Travel and accommodation expense		(1,395,848)	(1,072,252)
Audit, legal and consultancy expense		(1,162,627)	(763,025)
Rent and occupancy expense	3a	(674,636)	(557,897)
Venue expenses		(435,032)	(357,709)
Program printing and promotion expenses		(330,309)	(287,455)
Repairs and maintenance expense		(249,930)	(245,277)
Depreciation and impairment expense	3b	(203,842)	(174,251)
Recruitment and training		(148,019)	(65,595)
Printing and postage expense		(132,722)	(104,873)
Other expense		(129,912)	(121,790)
Computer software & consumables expense		(86,170)	(115,851)
Telephone expense		(39,929)	(40,147)
Motor vehicle running expense		(38,427)	(41,023)
Current year surplus/(deficit) before income tax		1,648,659	(373,501)
Tax expense	1i	-	-
Net current year surplus/(deficit)		1,648,659	(373,501)
Other comprehensive income			
Gain on revaluation of plant and equipment		-	-
Other comprehensive income for the year		-	-
Total other comprehensive surplus/(deficit) for the year		-	-
Net current year surplus/(deficit) attributable to members of the AH&MRC		1,648,659	(373,501)
Total comprehensive surplus/(deficit) attributable to members of the AH&MRC		1,648,659	(373,501)

The accompanying notes form part of these financial statements.

STATEMENT OF PROFIT OR LOSS & COMPREHENSIVE INCOME

Aboriginal Health & Medical Research Council of New South Wales
[ABN 66 085 654 397]

Statement of Financial Position as at 30 June 2013

Assets	NOTE	2013 \$	2012 \$
Current Assets			
Cash and equivalents	4	7,429,134	5,992,091
Accounts receivable and other debtors	5	1,174,413	397,125
TOTAL CURRENT ASSETS		8,603,547	6,389,216
NON-CURRENT ASSETS			
Plant and equipment	6	323,387	330,000
Deposits		153,459	146,584
TOTAL NON-CURRENT ASSETS		476,846	476,584
TOTAL ASSETS		9,080,393	6,865,800
Liabilities			
CURRENT LIABILITIES			
Accounts payable and other payables	7	585,967	343,262
Provisions	9	1,586,658	1,279,027
TOTAL CURRENT LIABILITIES		2,172,625	1,622,289
NON-CURRENT LIABILITIES			
Provisions	9	39,684	24,086
Loan		85,000	85,000
TOTAL NON-CURRENT LIABILITIES		124,684	109,086
TOTAL LIABILITIES		2,297,309	1,731,375
NET ASSETS		6,783,084	5,134,425
Equity			
Retained surplus		6,783,084	5,134,425
TOTAL EQUITY		6,783,084	5,134,425

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2013

	Note	Retained Surplus \$	Total \$
Balance at 1 July 2011		5,507,926	5,507,926
Comprehensive income			
Surplus for the year attributable to members of the AH&MRC		(373,501)	(373,501)
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to members of the AH&MRC		(373,501)	(373,501)
Balance at 30 June 2012		5,134,425	5,134,425
Balance at 1 July 2012		5,134,425	5,134,425
Comprehensive income			
Surplus for the year attributable to members of the AH&MRC		1,648,659	1,648,659
Other comprehensive income for the year		-	-
Total comprehensive income attributable to members of the AH&MRC		1,648,659	1,648,659
Balance at 30 June 2013		6,783,084	6,783,084

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Aboriginal Health & Medical Research Council of New South Wales
[ABN 66 085 654 397]

Statement of Cash Flows for the year ended 30 June 2013

Cash flow from operating activities	Note	2013	2012
Receipt of grants	2	10,394,477	7,034,495
Other income	2	949,338	690,338
Payments to suppliers and employees		(10,002,254)	(8,209,920)
Interest received	2	<u>267,156</u>	<u>294,837</u>
Net cash generated from operating activities	14	<u>1,608,717</u>	<u>(190,250)</u>
Cash flow from investing activities			
Proceeds from sale of plant and equipment	3b	39,000	30,000
Payment for plant and equipment	6	<u>(210,674)</u>	<u>(196,974)</u>
Net cash used in investing activities		<u>(171,674)</u>	<u>(166,974)</u>
Net increase in cash held		1,437,043	(357,224)
Cash and cash equivalents at beginning of the financial year		<u>5,992,091</u>	<u>6,349,315</u>
Cash and cash equivalents at end the of the financial year	4	<u>7,429,134</u>	<u>5,992,091</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2013

The financial statements cover the Aboriginal Health and Medical Research Council of New South Wales (AH&MRC) as an individual entity, incorporated and domiciled in Australia. The AH&MRC is a company limited by guarantee.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. The AH&MRC is a not-for-profit entity 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 these 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.

The financial statements were authorised for issue by the Directors of the AH&MRC on 15 August 2013.

Accounting Policies

a. Revenue

Non-reciprocal grant revenue is recognised in the statement of profit or loss and other comprehensive income when the AH&MRC obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the AH&MRC and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the AH&MRC 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 statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The AH&MRC 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 statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

NOTES TO THE FINANCIAL STATEMENTS

Aboriginal Health & Medical Research Council of New South Wales
[ABN 66 085 654 397]

b. Plant and Equipment

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

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 the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are 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).

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 AH&MRC and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

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

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the AH&MRC commencing from the time the asset is available for use.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	15% - 40%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c. Leases

Leases of property, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the AH&MRC, are classified as financial leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the AH&MRC will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

d. Impairment of Assets

At the end of each reporting period, the AH&MRC reviews the carrying amounts of its tangible 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 to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over the recoverable amount is recognised in profit or loss.

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

Where it is not possible to estimate the recoverable amount of an asset's class, the AH&MRC estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued 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. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Contributions are made by the AH&MRC to employee's superannuation funds and are charged as expenses when incurred.

f. 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

g. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold 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.

h. 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.

i. Income Tax

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

j. Provisions

Provisions are recognised when the AH&MRC has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefit 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.

k. Comparative Figures

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

When the AH&MRC applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

NOTES TO THE FINANCIAL STATEMENTS

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l. Accounts Payable and Other Payables

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

m. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

Impairment

The plant and equipment were independently valued at 24 May 2013 by Andrew Nock Pty Limited. The valuation was based on fair value less cost to sell.

At the 15 August 2013 meeting of the AH&MRC Board, the Directors reviewed the key assumptions made by the valuers at 24 May 2013. They have concluded that these assumptions remain materially unchanged, and are satisfied that the carrying amount does not exceed the recoverable amount of plant and equipment at 30 June 2013.

n. Economic Dependence

The AH&MRC is dependent on the Department of Health and Ageing and the NSW Ministry of Health for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe that the said Departments will not continue to support and finance the AH&MRC.

o. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the AH&MRC. The AH&MRC has decided not to early adopt any of the new and amended pronouncements. The AH&MRC's assessment of the new and amended pronouncements that are relevant to the AH&MRC but applicable in future reporting periods is set out below.

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to the Australian Accounting Standards arising from AASB 9 (December 2010).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- removing the tainting rules associated with held-to-maturity assets;
- requiring financial assets to be reclassified where there is a change in the AH&MRC's business model as they are initially classified based on: (a) the objective of the AH&MRC's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the AH&MRC's own credit risk in the other comprehensive income, except where it would create an accounting mismatch. If such a mismatch would be created or enlarged, the AH&MRC is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of this change to the mandatory effective date, the AH&MRC is expected to adopt AASB 9 and AASB 2010-7 for the annual reporting period ending 31 December 2015. Although the Directors anticipate that the adoption of AASB and AASB 2010-7 may have significant impact on the AH&MRC's financial instruments, it is impractical at this stage to provide a reasonable estimate of such impact

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013)

- AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the AH&MRC's financial statements.

- AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The AH&MRC does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 [September 2011] also includes changes to:

- require only those 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 to be classified as short-term employee benefits. All other employee benefits are to be classified as either other long-term benefits, post employment benefits or termination benefits, as appropriate; and
- the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earliest of:
 - for an offer that may be withdrawn – when the employee accepts;
 - for an offer that can not be withdrawn – when the offer is communicated to affected employees; and
 - where the termination is associated with a restructuring of activities under AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and if earlier than the first two conditions – when the related restructuring costs are recognised.

These Standards are not expected to significantly impact the AH&MRC's financial statements.

Note 2: Revenue and Other Income

	2013 \$	2012 \$
Revenue		
<i>Revenue from government grants and other grants</i>		
- State/federal government grants - operating	7,092,399	6,273,504
- Other organisations - operating	3,302,078	760,991
	<u>10,394,477</u>	<u>7,034,495</u>
<i>Other revenue</i>		
- Interest received on investments	267,156	294,837
	<u>267,156</u>	<u>294,837</u>
Total Revenue	<u>10,661,633</u>	<u>7,329,332</u>
 Other Income		
- Gain on disposal of plant and equipment	-	-
- Charitable income and fundraising	786,104	13,934
- Royalties	32,351	53,648
- College activities	130,151	458,503
- Other	732	164,253
	<u>949,338</u>	<u>690,338</u>
Total Other Income	<u>949,338</u>	<u>690,338</u>
Total Revenue and Other Income	<u>11,610,971</u>	<u>8,019,670</u>

NOTES TO THE FINANCIAL STATEMENTS

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Note 3: Surplus for the Year

	2013 \$	2012 \$
a) Expenses		
<i>Rental expense on operating leases</i>		
- minimum lease payments	475,975	395,943
- rates, utility and service charges	198,661	161,954
Total Rental Expenses	674,636	557,897
<i>Auditor remuneration</i>		
- audit services	45,000	45,000
- other services	1,250	-
Total Audit Remuneration	46,250	45,000
b) Significant Revenue and Expenses		
Plant and equipment - depreciation and amortisation	82,107	58,890
Motor vehicles - depreciation and amortisation	39,821	57,558
Plant and equipment - impairment	58,208	40,047
Motor vehicles impairment	23,706	17,756
Total Depreciation and Impairment	203,842	174,251
Proceeds on disposal	39,000	30,000
Disposal at carrying value	(13,446)	(21,929)
Net gain on disposals	25,554	8,071

Note 4: Cash and Cash Equivalents

CURRENT

	2013 \$	2012 \$
Cash at bank	7,429,034	5,991,991
Cash on hand	100	100
Total cash and cash equivalents as stated in the statement of financial position	7,429,134	5,992,091
Total cash and cash equivalents as stated in the statement of cash flows	7,429,134	5,992,091

Note 5: Accounts Receivable and Other Debtors

	Note	2013 \$	2012 \$
Current			
Accounts receivables		1,173,876	389,177
Other debtors		<u>537</u>	<u>7,948</u>
Total current accounts and other debtors	15	<u>1,174,413</u>	<u>397,125</u>

(i) Credit Risk – Accounts Receivable and Other Debtors

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's accounts receivable and other debtors exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be full repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

	Past due but not impaired					
	Gross amount \$	< 30 \$	31 – 60 \$	61 – 90 \$	> 90 \$	Within initial trade terms \$
2013						
Accounts receivable	1,173,876	1,055,757	38,056	37,400	42,663	1,055,757
Other debtors	<u>537</u>	<u>537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>537</u>
Total	<u>1,174,413</u>	<u>1,056,294</u>	<u>38,056</u>	<u>37,400</u>	<u>42,663</u>	<u>1,056,294</u>
2012						
Accounts receivable	389,177	344,614	32,575	750	11,238	344,614
Other debtors	<u>7,948</u>	<u>7,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,948</u>
Total	<u>397,125</u>	<u>352,562</u>	<u>32,575</u>	<u>750</u>	<u>4,238</u>	<u>352,562</u>

NOTES TO THE FINANCIAL STATEMENTS

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Note 6: Plant and Equipment

	2013 \$	2012 \$
Plant and Equipment		
At cost	1,061,827	949,719
Less accumulated depreciation	(845,911)	(705,596)
	<u>215,916</u>	<u>244,123</u>
Motor vehicles		
At cost	257,737	231,368
Less accumulated depreciation	(150,266)	(145,491)
	<u>107,471</u>	<u>85,877</u>
Total plant and equipment	<u><u>323,387</u></u>	<u><u>330,000</u></u>

Movements in Carrying Amounts

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

	Motor Vehicles \$	Furniture and Equipment \$	Total \$
2012			
Balance at the beginning of the year	121,204	208,000	329,204
Additions at cost	61,916	135,058	196,974
Disposals	(59,495)	-	(59,495)
Revaluation increment	(17,756)	(43,314)	(61,070)
Depreciation expense	(19,992)	(55,621)	(75,613)
Carrying amount at end of year	<u><u>85,877</u></u>	<u><u>244,123</u></u>	<u><u>330,000</u></u>
2013			
Balance at the beginning of the year	85,877	244,123	330,000
Additions at cost	98,567	112,107	210,674
Disposals	(13,446)	-	(13,446)
Revaluation increment	(23,706)	(63,434)	(87,140)
Depreciation expense	(39,821)	(76,880)	(116,701)
Carrying amount at end of year	<u><u>107,471</u></u>	<u><u>215,916</u></u>	<u><u>323,387</u></u>

Asset revaluation

The plant and equipment were independently valued at 24 May 2013 by Andrew Nock Pty Limited. The valuation was based on fair value less cost to sell.

At 15 August 2013 meeting of the AH&MRC Board, the Directors reviewed the key assumptions made by the valuers at 24 May 2013. They have concluded that these assumptions remain materially unchanged, and are satisfied that carrying value does not exceed the recoverable amount of plant and equipment at 30 June 2013.

Note 7: Accounts Payable and Other Payables

	Note	2013 \$	2012 \$
Current			
Accounts payables		412,634	191,586
Other current payables		<u>173,333</u>	<u>151,676</u>
Total Current	7a	<u><u>585,967</u></u>	<u><u>343,262</u></u>

a. Financial liabilities at amortised cost classified as trade and other payables

		2013 \$	2012 \$
Accounts payable and other payables			
Total current	7	585,967	343,262
Total Non-current		<u>-</u>	<u>-</u>
Total current and non-current	15	<u><u>585,967</u></u>	<u><u>343,262</u></u>

NOTES TO THE FINANCIAL STATEMENTS

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Note 8: Lease Liabilities

	Note	2013 \$	2012 \$
Current	10	452,664	439,476
Non-current	10	695,894	1,115,097
Total Lease Liabilities		1,148,558	1,554,573

Note 9: Provisions

	Long-term Employee Benefits \$	Leasehold Building Maintenance \$	Total \$
Opening balance at 1 July 2012	679,246	623,867	1,303,113
Additional provisions raised during the year	658,290	215,300	873,590
Amounts used	(550,361)	-	(550,361)
Balance at 30 June 2013	787,175	839,167	1,626,342

	2013 \$	2012 \$
Analysis of Total Provisions		
Current	1,586,658	1,279,027
Non-current	39,684	24,086
	1,626,342	1,303,113

Employee Provisions

Employee provisions represent 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 AH&MRC 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 AH&MRC 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.

Note 10: Capital and Leasing Commitments

a. Operating Lease Commitments	2013 \$	2012 \$
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable – minimum lease payments		
- not later than 12 months	452,664	439,476
- later than 12 months but not later than 5 years	695,894	1,115,097
- later than 5 years	-	-
	<u>1,148,558</u>	<u>1,554,573</u>

The property lease commitments are non-cancellable operating leases contracted for but not recognised in the financial statements with a five year term. Increase in lease commitment may occur in line with the Consumer Price Index (CPI).

Note 11: Contingent Liabilities and Contingent Assets

In 2009 the Department of Education and Training reimbursed the AH&MRC an amount of \$300,000 for plant and equipment associated with the fit-out of the Aboriginal Health College. Ownership of these assets will not vest in the AH&MRC until 2014.	2013 \$	2012 \$
Accordingly, the AH&MRC has a contingent asset in relation to this plant and equipment.	<u>300,000</u>	<u>300,000</u>

Note 12: Events after the Reporting Period

The Directors are not aware of any significant events since the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

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Note 13: Related Party Transactions

a. Key Management Personnel	2013	2012
	\$	\$

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

Key management personnel compensation

- short-term benefits	805,647	777,329
- post-employment benefits	-	-
- other long-term benefits	-	-
	<u>805,647</u>	<u>777,329</u>

b. Other Related Parties

Other related parties include immediate close family members of key management personnel, and entities that are controlled or significantly influenced by those key management personnel individually or collectively with their immediate family members.

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

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Note 14: Cash Flow Information

Reconciliation of Cash Flow from Operating Activities with Current Year Surplus	2013	2012
	\$	\$
Surplus/(Deficit) after income tax	1,648,659	(373,501)
Non cash flows		
Depreciation and amortisation expense	203,842	174,251
Surplus on sale of plant and equipment	(25,554)	(8,071)
Furniture and equipment written off	-	-
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	(777,288)	396,115
Increase/(Decrease) in trade and other payables	242,705	(610,835)
(Increase)/Decrease in other assets	(6,876)	(58,939)
(Increase)/Decrease in provisions	<u>323,229</u>	<u>290,730</u>
	<u>1,608,717</u>	<u>(190,250)</u>

Note 15: Financial Risk Management

The AH&MRC's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, receivables and payables, and lease liabilities.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets	Note	2013 \$	2012 \$
Cash and cash equivalents	4	7,429,134	5,992,091
Accounts receivable and other debtors	5	1,174,413	397,125
Financial assets at fair value through profit or loss			
- investments in listed shares, held for trading		-	-
Held-to-maturity investments			
- investments in government and fixed interest securities		-	-
Available-for-sale financial assets			
- investments in listed shares, available for sale		-	-
Total Financial Assets		8,603,547	6,389,216
Financial Liabilities			
Financial liabilities at amortised cost			
- accounts payable and other payables	7	585,967	343,262
- long-term loan		85,000	85,000
Total Financial Liabilities		670,967	428,262

Financial Risk Management Policies

The AH&MRC Finance and Risk Management (FARM) Committee is responsible for monitoring and managing the AH&MRC's compliance with its risk management strategy and consists of senior board members and staff. The FARM Committee's overall risk management strategy is to assist the AH&MRC in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the FARM Committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposure and Management

The main risks the AH&MRC is exposed to through its financial instrument are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the AH&MRC is exposed to, how these risks arise, or the board's objectives, policies and processes for managing or measuring the risks from the previous period.

NOTES TO THE FINANCIAL STATEMENTS

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a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the AH&MRC.

The AH&MRC does not have any material credit risk exposures as its major source of revenue is the receipt of grants. Credit risk is further mitigated as over 90% of the grants being received from state and federal governments are in accordance with funding agreements which ensure regular funding for a period of three years.

Credit Risk Exposure

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 5.

The AH&MRC has no significant concentration of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of Accounts Receivable and Other Debtors are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the Finance Committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rate in of at least AA. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings:

	Note	2013 \$	2012 \$
Cash and cash equivalents			
- AA rated		7,429,134	5,992,091
	4	7,429,134	5,992,091

b. Liquidity risk

Liquidity risk arises from the possibility that the AH&MRC might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The AH&MRC manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The AH&MRC does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

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	Within 1 Year		1 to 5 Years		Total	
	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
Financial liabilities – due for payment						
Accounts payable and other payables (excluding estimated annual leave)	585,967	343,262	85,000	85,000	670,967	428,262
Property lease liabilities	452,664	439,476	695,894	1,115,097	1,148,558	1,554,573
Total expected outflows	1,038,631	782,738	780,894	1,200,097	1,819,525	1,982,835
Financial assets – cash flows realisable						
Cash and cash equivalents	7,429,134	5,992,091	-	-	7,429,134	5,992,091
Accounts receivable and other debtors	1,174,413	397,125	153,459	146,584	1,327,872	543,709
Total anticipated inflows	8,603,547	6,389,216	153,459	146,584	8,757,006	6,535,800
Net (outflow)/inflow	7,564,916	5,606,478	(627,435)	(1,053,513)	6,937,481	4,552,965

c. Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments which expose the AH&MRC to interest rate risk are limited to government and fixed interest securities, and cash equivalents.

ii. Other Price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

The AH&MRC's investments are held in the following sectors at the end of the reporting period:

	2013	2012
Banking	100%	100%

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Sensitivity Analysis

The following table illustrates sensitivities to the AH&MRC's exposure to changes in interest rates and equity prices. The table indicates the impact on how surplus and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variables that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Surplus \$
Year ended 30 June 2012	
` + / - 2% in interest rates	119,840
Year ended 30 June 2013	
` + / - 2% in interest rates	148,583

No sensitivity analysis has been performed on foreign exchange risk as the AH&MRC has no material exposures to currency risk.

Fair Values

Fair Value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the AH&MRC. Most of these instruments, which are carried at amortised cost (i.e. accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the AH&MRC.

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		2013		2012	
	Footnote	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
<i>Financial assets</i>					
Cash and cash equivalents	(i)	7,429,134	7,429,134	5,992,091	5,992,091
Trade and other receivables	(i)	<u>1,327,872</u>	<u>1,327,872</u>	<u>543,709</u>	<u>543,709</u>
Total financial assets		<u>8,757,006</u>	<u>8,757,006</u>	<u>6,535,800</u>	<u>6,535,800</u>
<i>Financial liabilities</i>					
Accounts payable and other payables	(i)	585,967	585,967	343,262	343,262
Long term loan		85,000	85,000	85,000	85,000
Lease liabilities		<u>452,664</u>	<u>452,664</u>	<u>439,476</u>	<u>439,476</u>
Total financial liabilities		<u>1,123,631</u>	<u>1,123,631</u>	<u>867,738</u>	<u>867,738</u>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

NOTES TO THE FINANCIAL STATEMENTS

Aboriginal Health & Medical Research Council of New South Wales
[ABN 66 085 654 397]

Note 16: Capital Management

Management controls the capital of the AH&MRC to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised with tolerable risk parameters. The Finance and Risk Management Committee ensures that the overall risk management strategy is in line with this objective.

The Finance and Risk Management Committee operates under policies approved by the AH&MRC Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The AH&MRC's capital consists of financial liabilities, supported by financial assets.

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

There have been no changes to the strategy adopted by management to control the capital of the AH&MRC since the previous year. The strategy of the AH&MRC is to minimise debt, maximise returns and to manage cash flow timing to ensure that funds are available, without penalty or loss of interest, to meet the requirements of programs.

Note 17: AH&MRC Details

The registered office and principal place of business of the AH&MRC is:

Aboriginal Health & Medical Research Council of New South Wales
Level 3, 66 Wentworth Avenue
Surry Hills NSW 2010

Note 18: Members' Guarantee

The AH&MRC is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the AH&MRC is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the AH&MRC. At 30 June 2013 the number of members was 48.



Directors' Declaration

In accordance with a resolution of the Directors of the AH&MRC, the Directors declare that:

1. The financial statements and notes, as set out on pages 49-70, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position of the AH&MRC as at 30 June 2013 and of its performance for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the AH&MRC will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with an ordinary resolution of the AH&MRC Board of Directors.

A handwritten signature in black ink, which appears to read 'Corby, OAM'.

Mrs Christine Corby, OAM
Dated this 19th day of August 2013

Supported by the NSW Ministry of Health

Location	Postal Address	Contact	ABN
Level 3, 66 Wentworth Avenue Surry Hills NSW 2010	PO Box 1565 Strawberry Hills NSW 2012	Phone: +61 (2) 9212 4777 Fax: +61 (2) 9212 7211 e-Mail: ahmrc@ahmrc.org.au web: www.ahmrc.org.au	ABN 66 085 654 397

AUDITOR'S INDEPENDENCE DECLARATION

Aboriginal Health & Medical Research Council of New South Wales
[ABN 66 085 654 397]

A. F. WALLIS & CO. PTY LTD

ABN 90 075 605 122



Chartered Accountants

Independent Auditor's Report to the Members of the Aboriginal Health and Medical Research Council of New South Wales

Report on the Financial Report

We have audited the accompanying financial report of the Aboriginal Health and Medical Research Council of New South Wales (AH&MRC), which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

Directors' Responsibility for the Financial Report

The Directors of the AH&MRC are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the AH&MRC's preparation of the financial report that gives a true and fair view 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 AH&MRC's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Liability limited by a scheme approved under
Professional Standards Legislation

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Castle Hill
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A. F. WALLIS & CO. PTY LTD

ABN 90 075 605 122



Chartered Accountants

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the Independence Declaration required by the *Corporations Act 2001*, which has been given to the directors of the Aboriginal Health and Medical Research Council of New South Wales, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of the Aboriginal Health and Medical Research Council of New South Wales is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

A.F. Wallis & Co.
Chartered Accountants

A.F. Wallis

Dated this 20th day of August 2013

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DONATIONS

Aboriginal Health & Medical Research Council of New South Wales

Donating to the AH&MRC

Help us create a better health future for Aboriginal people in NSW

The Aboriginal Health and Medical Research Council of New South Wales (AH&MRC) is the peak body for Aboriginal Health in NSW and is comprised of Aboriginal Community Controlled Health organisations from across the State, all of which provide vital health and related services to the Aboriginal communities they serve.

All donations to the AH&MRC are used to fund initiatives which aim to improve the health of Aboriginal people in NSW. You can choose from three donation types:



General donations

Every contribution, large or small, makes a difference to the health outcomes of Aboriginal people in NSW. Your donation will be added to a general fund which is dedicated to improving the health and wellbeing of Aboriginal communities throughout the State.

Bequests

You can leave a lasting legacy by including a bequest to the AH&MRC in your will.

Endowments & scholarships

Invest in a better health future for Aboriginal people today by making a substantive contribution to the education and training of new workers in the Aboriginal health sector. A range of education and training endowments and scholarships are available to support the important work of the Aboriginal Health College and other AH&MRC-affiliated training providers.



How to donate

Internet

To donate online, please visit the "Donate" page on the AH&MRC website at: <http://www.ahmrc.org.au>

Mail

Cheques or money orders, made payable to The Aboriginal Health and Medical Research Council of NSW may be sent to:

AH&MRC of NSW
PO Box 1565
Strawberry Hills NSW 2012
Australia

Telephone

To donate via telephone, call **(02) 9212 4777**.

Please have your details on hand when you call.

Facts, Fees & Charges

- The AH&MRC is a Public Company registered with ASIC [ABN 66 085 654 397].
- The AH&MRC has a current "Endorsement as a deductible gift recipient" issued by the Australian Taxation Office.
- This may be 'cross-checked' on the ABN Lookup web site at <http://www.abr.business.gov.au>

- There are absolutely no management fees or charges under any spurious names.
- Bank and Audit fees are covered by the AH&MRC Secretariat
- Donations over two dollars (\$2.00) are Tax Deductible.

Contact Us

If you have any questions about making a donation, please do not hesitate to contact the AH&MRC on **(02) 9212 4777**.



*Aboriginal Health - the social, cultural
and emotional wellbeing of the whole
community, where every individual
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