

The Aboriginal Health & Medical Research Council of NSW

Annual Report 2014-15





About Carissa Paglino

This artwork was created by Carissa Paglino, a descendant of the Gamilaroi & Wonaruah nations and Italian heritage, who resides in Newcastle, NSW.

In 2005 Carissa completed a Diploma in Graphic Design at TAFE NSW, Hornsby Campus and has worked in the Aboriginal community of Newcastle for Miromaa Design - Graphic Design and Illustration since 2004.

Over the years, Carissa has designed digital artwork for several Aboriginal organisations and government services including NSW Registry of Births, Deaths and Marriages,

Department of Community Services, Yarnteen ATSI Corp, Hunter New England Health, GrainCorp, Legal Aid NSW, Job Centre Australia, Awabakal Co-op, University of Newcastle, Newcastle City Council, Department of Disability, Ageing and Homecare and the Aboriginal Health & Medical Research Council of NSW.

In her spare time, Carissa practices many forms of art, including painting and mix media as she is passionate about art and design and the great way it provides opportunities to express herself and her cultural heritage.

Website:

<http://www.miromaa.org.au/design/design-portfolio.html>

**Aboriginal Health and Medical Research
Council of NSW**
ABN: 66 085 654 397

Financial Report for the Year Ended 30 June 2015

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Your directors present this report on the Aboriginal Health and Medical Research Council of NSW for the financial year ended 30 June 2015.

Directors Report

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

Central Coast	Roy Ah, See	
Central Tablelands	Donna Taylor	
Central West	Tim Horan	
Far South Coast	Anne Greenaway	
Far West	Pam Handy	
Illawarra	Craig Ardler	
Lower Central West	Valda Keed	
Metropolitan	Bradley Delaney	Ceased August 2015
Murray River	Valda Murray	
North Coast	Scott Monaghan	
North West	Christine Corby	
Riverina	Selena Lyons	Ceased February 2015

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

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 broaden the scope of services to Members in areas otherwise not funded and to be in a position to provide products and services on a commercial basis to the broader sector and community as a means of supplementing AH&MRC income.

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	2015 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%
Achieve standards to ensure re-accreditation of the Aboriginal Health College as an RTO within the 5-year time frame	Yes	Yes
Increase percentage of Aboriginal staff working at the AH&MRC	49%	60%

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: Chief Executive Officer (CEO) of Walgett Aboriginal Medical Service Co-operative Limited; Director on the Board of the National Aboriginal Community Controlled Health Organisation (NACCHO); Committee member of the Far West NSW Medicare Local Limited (FWML) Chairperson (former) of Bila Muuji Aboriginal Health Service Incorporated; Chairperson of the Walgett Gamilaraay Aboriginal Community Working Party (WGACWP); Committee Member of Walgett School Reference Group; Committee member of NSW Health Ministerial Advisory Committee (HMAC) and NSW Kids and Families

Special Responsibilities: Chairperson, AH&MRC Board of Directors; Member of the AH&MRC Finance and Risk Management Committee (FARM); Member of the AH&MRC Standing Committee on Constitution Reform; Member of the Remuneration and Performance Appraisal Committee

Mr Craig Ardler, Illawarra

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

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.

Experience: Over thirty years' experience negotiating and advocating on behalf of the Aboriginal Communities at local, regional, state and national levels. Demonstrated active participation in Aboriginal Affairs, in particular community development.

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: 7 years' experience in the Aboriginal Community Controlled Health sector at local, regional, state and national levels; 6 years as AH&MRC Director; 10 years as Mayor of Coonamble Council

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

Special Responsibilities: Chairperson of AH&MRC Human Research Ethics Committee.

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; 22 years engaged in planning and delivery of Aboriginal health programs

Special Responsibilities: Member of AH&MRC Remuneration and Performance Appraisal Committee; member of the AH&MRC Finance and Risk Management Committee (FARM).

Mrs Donna Taylor, Central Tablelands

Qualifications: Certificate IV of Business – Frontline Management

Experience: CEO Pius X Aboriginal Corporation since 2004. Over 16 years of active representation on a broad range Aboriginal issues, advocating and negotiating at local, regional, state, and national levels.

Anne Greenaway, Far South Coast

Qualifications: Bachelor of Arts, Masters of Letters (History); Diploma of Business (Management); Certificate IV Governance and Certificate IV in Training and Assessment.

Experience: Currently Deputy Chair, Katungul Aboriginal Corporation Community & 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; Previous Director AH&MRC (9 Years). Over 16 years' experience in Aboriginal Community Controlled Health and active participation and representation on a wide range of Aboriginal Issues.

Special Responsibilities: Member of the AH&MRC Finance and Risk Management Committee (FARM).

Ms Valda Murray, Murray River

Qualifications: Assoc. Dip Applied Science in Aboriginal Health and Community Development Cumberland College, NSW; Graduate Certificate in Health (Diabetes Management) Flinders University SA; Certificate IV in Indigenous Community Management, Albury Wodonga Tafe, Victoria; Bachelor of Nursing, Deakin University Geelong; Certificate IV in Training and Assessment, Albury Tafe, Victoria; Governance Training for Board Members, AWAHS.

Experience: Over 26 years' experience working in the area of health, the majority of which was spent as an Aboriginal Health Worker in a variety of roles; Currently Project officer for Hume Regional Integrated Cancer Services; AH&MRC Board member; Board member Albury Wodonga Aboriginal Health Service; member of Woomera Aboriginal Corporation; member Mungarbareena Corporation; member Albury Lands Council; Chair Albury Wodonga Aboriginal Community Working Party; Representative on the Albury Wodonga Aboriginal Health Reference Group.

Special Responsibilities: Elected Interim Member AH&MRC Remuneration and Performance Appraisal Committee 2014. Member of the AH&MRC Finance and Risk Management Committee (FARM).

Mr Roy Ah See, Central Coast

Qualifications: Bachelor of Arts Degree (Social Welfare) Research Project, Newcastle University.

Experience: Deputy Chairperson, NSW Aboriginal Land Council; Deputy Chairperson of the Eleanor Duncan Aboriginal Medical Service in Wyong; AH&MRC Board Member; worked for various government and non-government organisations in the area of policy.

Mr Bradley Delaney, Metropolitan

Experience: Current Chairperson of the Aboriginal Medical Service, Western Sydney (8 Years), Board member for 19 years; Member of Deerubbin Local Aboriginal Land Council; Worked in various government and non-government roles in Aboriginal programs in health, justice and out of home care; Current Board member of the Western Sydney Medicare Local.

Special Responsibilities: Member of the AH&MRC Standing Committee on Constitution Reform.

Mr Scott Monaghan, North Coast

Experience: Active Board member of Bulgarr Ngaru Medical Aboriginal Corporation from 1996 to 2005; Appointed Chief Executive of Bulgarr Ngaru Medical Aboriginal Corporation in 2005, including Auspice and transition of Armajun Health service to independence from 2007 to 2013; Secretary, Many Rivers Alliance 2006 to 2013; 2011 endorsed as alternate director AH&MRC Board of Directors, for the North Coast Region; 2013 elected as Director, North Coast region for the AH&MRC.

Special Responsibilities: Member of the AH&MRC Standing Committee on Constitution Reform

Meetings of Directors

During the financial year, 4 meetings of directors were held. Attendances by each director were as follows:

Region	Name	Directors meetings eligible to attend	Director meetings attended
Central Coast	Roy Ah, See	4	2
Central Tablelands	Donna Taylor	4	4
Central West	Tim Horan	4	1
Far South Coast	Anne Greenaway	4	4
Far West	Pam Handy	4	1
Illawarra	Craig Ardler	4	3
Lower Central West	Valda Keed	4	4
Metropolitan	Bradley Delaney	4	1
Murray River	Valda Murray	4	4
North Coast	Scott Monaghan	2	2
North Coast	Stephen Blunden	2	2
North West	Christine Corby	4	2
Riverina	Selena Lyons	3	0

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 2015, the total amount that members of the company are liable to contribute if the company is wound up is \$490 (2014: \$490).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 8 of the financial report.

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



Director: Mrs Christine Corby, OAM
Dated this 25th day of August 2015



**ABORIGINAL HEALTH AND MEDICAL RESEARCH COUNCIL OF NSW
ABN: 66 085 654 397**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE
DIRECTORS OF ABORIGINAL HEALTH AND MEDICAL RESEARCH COUNCIL OF NSW**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

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

**A.F. Wallis & Co
Chartered Accountants**

A.F. Wallis

Dated this 25th day of August 2015

ABORIGINAL HEALTH AND MEDICAL RESEARCH COUNCIL OF NSW

ABN: 66 085 654 397

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
		\$	\$
Revenue	2	7,865,874	9,258,809
Other income	2	670,501	809,271
Employee benefits expense		(4,254,393)	(5,165,898)
Travel and accommodation expense		(1,173,051)	(1,337,719)
Audit, legal and consultancy expense	3	(782,201)	(995,100)
Rent and occupancy expense	3	(720,338)	(728,597)
Venue expenses		(369,110)	(606,939)
Repairs and maintenance expense		(243,510)	(288,037)
Computer software and consumables expense		(124,727)	(134,920)
Depreciation and Impairment expense	3	(114,142)	(371,164)
Other expense		(111,589)	(112,708)
Program printing and promotion expenses		(108,830)	(224,607)
Printing and postage expense		(98,025)	(188,284)
Telephone expense		(37,084)	(43,410)
Motor Vehicle running expense		(19,835)	(40,069)
Recruitment and training		(17,419)	(184,453)
Current year surplus/ (deficit) before income tax		362,121	(353,825)
Tax expense	1i	-	-
Net current year surplus/ (deficit)		362,121	(353,825)
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		362,121	(353,825)
Total comprehensive surplus/ (deficit) attributable to members of the AH&MRC		362,121	(353,825)

The accompanying notes form part of these financial statements.

ABORIGINAL HEALTH AND MEDICAL RESEARCH COUNCIL OF NSW

ABN: 66 085 654 397

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	4	8,262,361	7,755,895
Accounts receivable and other debtors	5	<u>616,637</u>	<u>288,365</u>
TOTAL CURRENT ASSETS		<u>8,878,998</u>	<u>8,044,260</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	393,980	435,702
Deposits		<u>165,680</u>	<u>160,603</u>
TOTAL NON-CURRENT ASSETS		<u>559,660</u>	<u>596,305</u>
TOTAL ASSETS		<u>9,438,658</u>	<u>8,640,565</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	7	448,958	244,251
Provisions	9	<u>2,097,477</u>	<u>1,839,236</u>
TOTAL CURRENT LIABILITIES		<u>2,546,435</u>	<u>2,083,487</u>
NON-CURRENT LIABILITIES			
Provisions	9	15,843	42,819
Loan		<u>85,000</u>	<u>85,000</u>
TOTAL NON-CURRENT LIABILITIES		<u>100,843</u>	<u>127,819</u>
TOTAL LIABILITIES		<u>2,647,278</u>	<u>2,211,306</u>
NET ASSETS		<u>6,791,380</u>	<u>6,429,259</u>
EQUITY			
Retained surplus		<u>6,791,380</u>	<u>6,429,259</u>
TOTAL EQUITY		<u>6,791,380</u>	<u>6,429,259</u>

The accompanying notes form part of these financial statements.

ABORIGINAL HEALTH AND MEDICAL RESEARCH COUNCIL OF NSW

ABN: 66 085 654 397

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Note	Retained Surplus \$	Total \$
Balance at 1 July 2013		6,783,084	6,783,084
Comprehensive Income			
Deficit for the year attributable to members of the AH&MRC		(353,825)	(353,825)
Other comprehensive income for the year		-	-
Total comprehensive income attributable to members of the AH&MRC		(353,825)	(353,825)
Balance at 30 June 2014		6,429,259	6,429,259
Balance at 1 July 2014		6,429,259	6,429,259
Comprehensive Income			
Surplus for the year attributable to members of the AH&MRC		362,121	362,121
Other comprehensive income for the year		-	-
Total comprehensive income attributable to members of the AH&MRC		362,121	362,121
Balance at 30 June 2015		6,791,380	6,791,380

The accompanying notes form part of these financial statements.

ABORIGINAL HEALTH AND MEDICAL RESEARCH COUNCIL OF NSW
ABN: 66 085 654 397
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt of grants	2	7,632,948	9,050,630
Other income	2	670,501	809,271
Payments to suppliers and employees		(7,967,206)	(9,589,466)
Interest received	2	232,926	208,179
Net cash generated from operating activities	14	569,169	478,614
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment	3b	52,636	76,000
Payment for plant and equipment		(115,339)	(227,853)
Net cash used in investing activities		(62,703)	(151,853)
Net increase in cash held		506,466	326,761
Cash on hand at beginning of the financial year		7,755,895	7,429,134
Cash on hand at end of the financial year	4	8,262,361	7,755,895

The accompanying notes form part of these financial statements

ABORIGINAL HEALTH AND MEDICAL RESEARCH COUNCIL OF NSW

ABN: 66 085 654 397

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 Aboriginal Health and Medical Research Council of NSW is a company limited by guarantee.

The financial statements were authorised for issue on 25 August 2015 by the directors of the AH&MRC.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The AH&MRC is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. 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.

Accounting Policies

(a) Revenue

Non-reciprocal grant revenue is recognised in profit or loss 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.

In the event that grant funding is unspent at the end of the financial year, the AH&MRC applies to have those funds rolled over into future accounting periods. If funding agencies insist on the return of unspent funds, it is generally made known to the AH&MRC after reporting deadlines. This precludes such funds being shown as deferred revenue in the financial statements.

In the event of the AH&MRC being required to return unspent grant funds, such funds are usually deducted against future grant revenue by the funding agencies. In the event of the AH&MRC being required to forward payment for unspent funds to the funding agencies these payments are shown against revenue received in the year payment is made.

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 as revenue when received.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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

(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 its estimated recoverable amount, the carrying amount is written down immediately to its 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:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
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 as income 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 finance 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 of disposal and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying amount over its 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 Provisions

Short-term employee provisions

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

Other long-term employee provisions

Provision is made for employees' long service leave not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service.

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

(f) Cash on Hand
Cash on hand includes cash on hand, deposits held at-call with banks and other short-term highly liquid investments with original maturities of three months or less.

(g) Accounts receivable and other debtors
Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for services provided 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.

(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 are stated inclusive of the amount of GST receivable. The net amount of GST recoverable from the ATO is included with other receivables 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) Intangibles
Software**
Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

(k) 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 benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

(l) 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 retrospectively applies an accounting policy, 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.

(m) 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 AH&MRC 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.

(n) 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 AH&MRC.

Key Estimates

Impairment

The plant and equipment were independently valued at 9 June 2015 by Andrew Nock Pty Limited. The valuation was based on fair value less cost to sell.

At the 25 August 2015 meeting of the AH&MRC Board, the Directors reviewed the key assumptions made by the valuers at 9 June 2015. 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 2015

Key Judgements

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The AH&MRC expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

(o) Economic Dependence

The AH&MRC is dependent on the Department of Health and Ageing, Department of Prime Minister and Cabinet 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.

(p) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards 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 2014) and associated amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the AH&MRC on initial application of AASB 9 and associated amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces

a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the AH&MRC elect to change its hedge accounting policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the AH&MRC's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

Note 2: Revenue and Other Income

	2015 \$	2014 \$
Revenue from government grants and other grants		
— State/federal government grants - operating	6,194,533	7,328,980
— Other organisations - operating	<u>1,438,415</u>	<u>1,721,650</u>
	<u>7,632,948</u>	<u>9,050,630</u>
Other revenue		
— Interest received on investments	<u>232,926</u>	<u>208,179</u>
	<u>232,926</u>	<u>208,179</u>
Total revenue	<u>7,865,874</u>	<u>9,258,809</u>
Other income		
— Charitable income and fundraising	53,729	106,150
— Royalties	73,005	36,198
— College activities	508,858	647,675
— Other	<u>34,909</u>	<u>19,248</u>
Total other income	<u>670,501</u>	<u>809,271</u>
Total revenue and other income	<u><u>8,536,375</u></u>	<u><u>10,068,080</u></u>

Note 3: Surplus for the Year

	2015	2014
	\$	\$
(a) Expenses		
Rental expense on operating leases:		
— minimum lease payments	523,646	578,202
— rates, utility and service charges	<u>196,692</u>	<u>150,395</u>
Total Rental Expense	<u>720,338</u>	<u>728,597</u>
Audit, legal and consultancy expense:		
— Legal & Professional Fees	5,392	-
— Audit Fee	45,000	45,000
— Consultancy expense	<u>731,809</u>	<u>950,100</u>
Total Audit, legal and Consultancy expense	<u>782,201</u>	<u>995,100</u>
Consultancy expense:		
— Dubbo Interim Services - Wellington Aboriginal Corporation Health Service	-	543,240
— Other Consultants	<u>731,809</u>	<u>406,860</u>
Total Consultancy expense	<u>731,809</u>	<u>950,100</u>
(b) Significant Revenue and Expenses		
Plant and equipment - depreciation and amortisation	72,732	39,200
Motor vehicles - depreciation and amortisation	21,631	52,634
Plant and equipment - impairment	14,779	239,487
Motor vehicles impairment	<u>5,000</u>	<u>39,843</u>
Net gain on disposals	<u>114,142</u>	<u>371,164</u>
Plant and equipment:		
Proceeds on disposal	52,636	76,000
Disposals at carrying amount	<u>(42,919)</u>	<u>(44,374)</u>
Net gain on disposals	<u>9,717</u>	<u>31,626</u>

Note 4: Cash on Hand

	2015	2014
	\$	\$
CURRENT		
Cash at bank - unrestricted	8,262,204	7,755,795
Cash float	<u>157</u>	<u>100</u>
Total cash on hand as stated in the statement of financial position and statement of cash flows	<u>8,262,361</u>	<u>7,755,895</u>

Note 5: Accounts Receivable and Other Debtors

	Note	2015 \$	2014 \$
CURRENT			
Accounts receivable		620,388	287,873
Provision for doubtful debts		-	-
		<u>620,388</u>	<u>287,873</u>
Other debtors		<u>(3,751)</u>	<u>492</u>
Total current accounts receivable and other debtors	15	<u><u>616,637</u></u>	<u><u>288,365</u></u>

(b) Credit Risk - Accounts Receivable and Other Debtors

The AH&MRC has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 5. The main source of credit risk to the AH&MRC is considered to relate to the class of assets described as “accounts receivable and other debtors”.

The following table details the AH&MRC’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 AH&MRC and the customer or counter party 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 fully repaid to the AH&MRC.

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

2015	Gross amount \$	Past due but not impaired (days overdue)				Within initial trade terms \$
		< 30 \$	31 – 60 \$	61 – 90 \$	>90 \$	
Accounts receivable	620,388	611,322	-	3,391	5,675	611,322
Other debtors	<u>(3,751)</u>	<u>(3,751)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,751)</u>
Total	<u>616,637</u>	<u>607,571</u>	<u>-</u>	<u>3,391</u>	<u>5,675</u>	<u>607,571</u>

2014	Gross amount \$	Past due but not impaired (days overdue)				Within initial trade terms \$
		< 30 \$	31 – 60 \$	61 – 90 \$	>90 \$	
Accounts receivable	287,873	251,803	4,850	2,500	28,720	251,803
Other debtors	<u>492</u>	<u>492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>492</u>
Total	<u>288,365</u>	<u>252,295</u>	<u>4,850</u>	<u>2,500</u>	<u>28,720</u>	<u>252,295</u>

Note 6: Plant and Equipment

	2015 \$	2014 \$
Plant and equipment:		
Plant and equipment:		
At cost	1,547,905	1,432,565
Less accumulated depreciation	<u>(1,212,109)</u>	<u>(1,124,598)</u>
	<u>335,796</u>	<u>307,967</u>
Motor Vehicles:		
At cost	147,653	255,680
Less accumulated depreciation	<u>(89,469)</u>	<u>(127,945)</u>
	<u>58,184</u>	<u>127,735</u>
Total plant and equipment	<u><u>393,980</u></u>	<u><u>435,702</u></u>

Movements in Carrying Amounts

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

	Motor Vehicles \$	Furniture and Equipment \$	Total \$
2014			
Balance at the beginning of the year	107,471	215,916	323,387
Additions at cost	157,114	370,739	527,853
Disposals	(44,374)	-	(44,374)
Revaluations	(39,843)	(239,487)	(279,330)
Depreciation expense	<u>(52,634)</u>	<u>(39,200)</u>	<u>(91,834)</u>
Carrying amount at end of year	<u><u>127,734</u></u>	<u><u>307,968</u></u>	<u><u>435,702</u></u>
2015			
Balance at the beginning of the year	127,734	307,968	435,702
Additions at cost	-	115,339	115,339
Disposals	(42,919)	-	(42,919)
Revaluations	(5,000)	(14,779)	(19,779)
Depreciation expense	<u>(21,631)</u>	<u>(72,732)</u>	<u>(94,363)</u>
Carrying amount at the end of the year	<u><u>58,184</u></u>	<u><u>335,796</u></u>	<u><u>393,980</u></u>

Asset revaluations

The plant & equipment were independently valued at 9 June 2015 by Andrew Nock Pty Limited. The valuation was based on fair value less cost to sell.

At the 25 August 2015 meeting of the AH&MRC Board, the Directors reviewed the key assumptions made by the valuers at 9 June 2015. 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 2015.

Note 7: Accounts Payable and Other Payables

	Note	2015 \$	2014 \$
CURRENT			
Accounts payable		309,891	84,451
Other current payables		<u>139,067</u>	<u>159,800</u>
	7a	<u>448,958</u>	<u>244,251</u>
		2015 \$	2014 \$
(a) Financial liabilities at amortised cost classified as trade and other payables			
Accounts payable and other payables:			
— Total current	7	448,958	244,251
— Total non-current		<u>-</u>	<u>-</u>
	15	<u>448,958</u>	<u>244,251</u>

Note 8: Lease Liabilities

	Note	2015 \$	2014 \$
Current	10	499,115	372,014
Non-current	10	<u>78,096</u>	<u>323,880</u>
Total Lease Liabilities	15	<u>577,211</u>	<u>695,894</u>

Note 9: Provisions

	Long-term Employee Benefits	Leasehold Building Maintenance	Total
Opening balance at 1 July 2014	827,588	1,054,467	1,882,055
Additional provisions raised during year	475,191	215,000	690,191
Amounts used	<u>(458,926)</u>	<u>-</u>	<u>(458,926)</u>
Balance at 30 June 2015	<u>843,853</u>	<u>1,269,467</u>	<u>2,113,320</u>

	2015	2014
Analysis of total provisions:		
Current	2,097,477	1,839,236
Non-Current	<u>15,843</u>	<u>42,819</u>
	<u>2,113,320</u>	<u>1,882,055</u>

Employee Provisions

Employee provisions represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the 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

Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements

	2015	2014
Payable – minimum lease payments	\$	\$
— not later than 12 months	499,115	372,014
— later than 12 months but not later than 5 years	78,096	323,880
— later than 5 years	-	-
	<u>577,211</u>	<u>695,894</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 commitments may occur in line with the Consumer Price Index (CPI).

Note 11: Commitment to Expenditure

During the year ended 30 June 2015 the AH&MRC Board considered various options to diversify funding streams so as not to be dependent upon government funding. A proposal for the development of a subsidiary company and a commitment of \$500,000 was approved by the AH&MRC Board in 2015-2016.

Note 12: Events after the Reporting Period

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

Note 13: Related Party Transactions

a. Key Management Personnel

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.

	2015	2014
	\$	\$
Key management personnel compensation:		
— short-term benefits	697,012	791,087
— post-employment benefits	-	-
— other long-term benefits	-	-
	<u>697,012</u>	<u>791,087</u>

b. Other Related Parties

Other related parties include immediate 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 if applicable are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

There were no other related party transactions during the year

Note 14: Cash Flow Information

	2015	2014
	\$	\$
Reconciliation of Cash Flow from Operating Activities with Current Year Surplus		
Surplus/ (Deficit) after income tax	362,121	(353,825)
Non-cash flows:		
Depreciation and amortisation expense	114,142	371,164
Surplus on sale of plant and equipment	(9,717)	(31,626)
Plant and equipment	-	(300,000)
	-	-
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable and other debtors	(328,272)	886,048
Increase/(decrease) in accounts payable and other payables	204,707	(341,716)
(Increase)/decrease in other assets	(5,077)	(7,144)
Increase/(decrease) in provisions	231,265	255,713
	<u>569,169</u>	<u>478,614</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:

	Note	2015 \$	2014 \$
Financial assets			
Cash on hand	4	8,262,361	7,755,895
Accounts receivable and other debtors	5	<u>616,637</u>	<u>288,365</u>
Total financial assets		<u><u>8,878,998</u></u>	<u><u>8,044,260</u></u>
Financial liabilities			
Financial liabilities at amortised cost:			
— accounts payable and other payables	7	448,958	244,251
— long-term loan		<u>85,000</u>	<u>85,000</u>
Total financial liabilities		<u><u>533,958</u></u>	<u><u>329,251</u></u>

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 Exposures and Management

The main risk the AH&MRC is exposed to through its financial instruments 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.

(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 to 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 12 months.

Credit Risk Exposures

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 nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 5.

The AH&MRC has no significant concentrations 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 and Poor's rating of at least AA. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2015 \$	2014 \$
Cash on hand			
—	AA Rated	8,262,361	7,755,895
	4	8,262,361	7,755,895

(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 related 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 table below reflects 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.

	<u>Within 1 Year</u>		<u>1 to 5 years</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Financial liabilities due for payment	\$	\$	\$	\$	\$	\$
Accounts payable and other payables (excluding estimated annual leave and deferred income)	448,958	244,251	85,000	85,000	533,958	329,251
Finance lease liabilities	499,115	372,014	78,096	323,880	577,211	695,894
Total expected outflows	<u>948,073</u>	<u>616,265</u>	<u>163,096</u>	<u>408,880</u>	<u>1,111,169</u>	<u>1,025,145</u>
Financial Assets - cash flows realisable						
Cash on hand	8,262,361	7,755,895	-	-	8,262,361	7,755,895
Accounts receivable and other debtors	616,367	288,365	165,680	160,603	782,047	448,968
Other financial assets	-	-	-	-	-	-
Total anticipated inflows	<u>8,878,728</u>	<u>8,044,260</u>	<u>165,680</u>	<u>160,603</u>	<u>9,044,408</u>	<u>8,204,863</u>
Net (outflow) / inflow on financial instruments	<u>7,930,655</u>	<u>7,427,995</u>	<u>2,584</u>	<u>(248,277)</u>	<u>7,933,239</u>	<u>7,179,718</u>

(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 on hand.

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 date:

	2015	2014
Banking	100%	100%

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 variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

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

Year ended 30 June 2015	Surplus \$
+/- 2% in interest rates	165,244

Year ended 30 June 2014	Surplus \$
+/- 2% in interest rates	156,116

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.

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.

	Footnote	2015 Carrying Amount \$	Fair Value \$	2014 Carrying Amount \$	Fair Value \$
Financial assets					
Cash on hand	(i)	8,262,361	8,262,361	7,755,895	7,755,895
Accounts receivable and other debtors	(i)	<u>782,317</u>	<u>782,317</u>	<u>448,968</u>	<u>448,968</u>
Total financial assets		<u><u>9,044,678</u></u>	<u><u>9,044,678</u></u>	<u><u>8,204,863</u></u>	<u><u>8,204,863</u></u>
Financial liabilities					
Accounts payable and other payables	(i)	448,958	448,958	244,251	244,251
Long term loan		85,000	85,000	85,000	85,000
Lease Liabilities		<u>499,115</u>	<u>499,115</u>	<u>372,014</u>	<u>372,014</u>
Total financial liabilities		<u><u>1,033,073</u></u>	<u><u>1,033,073</u></u>	<u><u>701,265</u></u>	<u><u>701,265</u></u>

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

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

Note 16: Capital Management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised within tolerable risk parameters. The finance 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 of the entity 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 2015 the number of members was 49.

ABORIGINAL HEALTH AND MEDICAL RESEARCH COUNCIL OF NSW

ABN: 66 085 654 397

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Aboriginal Health and Medical Research Council of NSW, the directors declare that:

1. The financial statements and notes, as set out on pages 9 to 31, 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 company as at 30 June 2015 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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



Director: Mrs Christine Corby, OAM
Dated this 25th day of August 2015

Supported by the NSW Ministry of Health

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ABN
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**ABORIGINAL HEALTH AND MEDICAL RESEARCH COUNCIL OF NSW
ABN: 66 085 654 397**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABORIGINAL HEALTH AND MEDICAL
RESEARCH COUNCIL OF NSW**

Report on the Financial Report

We have audited the accompanying financial report of Aboriginal Health and Medical Research Council of NSW, which comprises the statement of financial position as at 30 June 2015, 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 company 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 gives a true and fair view and 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 about 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 company'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 entity'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.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.



Opinion

In our opinion, the financial report of Aboriginal Health and Medical Research Council of NSW 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 2015 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 25th day of August 2015