Kambu Aboriginal and

Torres Strait Islander

Corporation for Health

Trading as Kambu Health

ABN 83 155 632 836

# Financial Report

For the year ended

30 June 2023

2023

# Contents

The directors present their report on Kambu Aboriginal and Torres Strait Islander Corporation for Health Trading as Kambu Health for the financial year ended 30 June 2023.

## General Information

**Information on Directors**

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

- Allan Fisher – Chairperson (appointed 12/11/2022)
- Maria Baker – Casual Director Appointment (27/09/2022 – 12/11/2022) and elected Director (appointed 12/11/2022)
- Jill Davidson – Elected Director
- Damain Storey – Elected Director
- Graham White – Skills-based Director (re-appointed 18/01/2023)
- Rhianna Patrick – Skills-based Director (appointed 26/07/2023 – 25/07/2023) and Casual Member Director Appointment (appointed 15/08/2023)
- Andrew Weil – Skills-based Director (ceased 14/07/2022)
- Calvin Carlo – Elected Director (ceased 14/07/2022)
- Lee-Ann Roch – Elected Director and Deputy Chairperson (ceased 07/07/2023)

| | |
|---|---|
| Allan Fisher | Director – elected 12/11/2022 to 11/11/2024; elected Chairperson from 20/12/2022 |
| **Qualifications** | Chairperson of the Board over the last 5 years |
| **Experience** | Former Chair, Kambu CATSI transition board. Indigenous Primary Health Care; Indigenous People/Organisations; Board/Management Committee roles; Health Services Sector; CEO/Senior Management; Strategy & Policy; Aboriginal Controlled Community Health Services Sector |
| Maria Baker | Elected Director – appointed 27/09/2022 until the 2023 Annual General Meeting (11/11/2023) |
| **Experience** | Indigenous People/Organisations; active member of Kambu Health and the local community. |
| Jill Davidson | Director - elected 16/10/2021 to 15/10/2023 |
| **Qualifications** | Certificates in Aged Care, Indigenous Primary Health Care. |
| **Experience** | Indigenous People/Organisations. Chairperson, Purga Elders & Descendants Aboriginal Corporation, Traditional Owner. |
| Damain Storey | Director – elected 16/10/2021 to 15/10/2023 |
| **Experience** | Indigenous People/Organisations; local community. |
| Graham White | Skills Based Director – appointed 18/01/2022 to 17/01/2023 and re-appointed from 18/01/2023 for a further 12-month period. |
| **Qualifications** | Public Sector Management, Graduate AICD |

| | |
|---|---|
| **Experience** | Graham is Non-Executive Director on PCYC Board, a member of the Queensland Sentencing Advisory Council, a member of the Indigenous Australian Advisory Committee, QUT and a Director Edmund Rice Education Australia Colleges Ltd, and has held Directorships with the Aboriginal and Torres Strait Islander Legal Service.<br><br>Graham has had over 20 years' experience providing cultural advice, support, information and training and policy development and implementation for Aboriginal and Torres Strait Islander peoples through Aboriginal and Torres Strait Islander Legal Service, the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs, the Departments of Communities, Department of Child Safety and Department of Families. |
| Rhianna Patrick | Skills Based Director – appointed 26/07/2022 to 25/07/2023 and a Casual Member Director appointed on 15 August 2023 until the Annual General Meeting (11/11/2023) |
| **Qualifications** | BA (Journalism); |
| **Experience** | Rhianna has almost 25 years media experience (having started her career at Indigenous Radio Station 98.9FM).<br><br>Rhianna has held several Board and Management Committee positions and currently sits on Aboriginal and Torres Strait Islander IAG for State Library of Queensland and National Library of Australia Collections Reference Group, BWF Indigenous Collective and UQ Antiquities Museum Committee. |
| Andrew Weil | Skills Based Director – ceased on 20/07/2022 |
| **Qualifications** | BCom LLB LLM. GradDipACG, FAICD FGIA FCG |
| **Experience** | Andrew is a Non- Executive Director, Chartered Secretary, and qualified Lawyer with over 20 years of Board experience in private and not for profit sectors<br><br>Andrew brings to the organisation skills and over 6 plus years' experience gained from chairing one of Queensland's largest and most successful health and community service organisations based in Northern New South Wales that provides disability services (NDIS), mental health programs, community programs and community housing. |
| Calvin Carlo | Director – elected 19/11/2019, re-elected 16/10/2021 and ceased 14/07/2022 |
| **Experience** | Indigenous People/Organisations, local community, prior Board and Management roles. |
| Lee-Anne Roach | Director – elected 17/10/2019 and re-elected 16/10/2021;<br>Chairperson from 04/10/2020 to 17/11/2020 and Deputy<br>Chairperson from 15/06/2021 ceased 07/07/2023 |

| | |
|---|---|
| **Qualifications** | Diploma in Leadership and Management, Cert IV Community Health Services; Former Chair May 2015 to May 2017 |
| **Experience** | Indigenous people/organisations; local community; prior board/management committee roles; interim CEO |

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

## Review of Operations

The profit of the Corporation for the financial year amounted to $944,791 Surplus (2022: $45,817 Loss).

A review of operations of the Corporation during the financial year and the results of those operations found that during the year, the Corporation continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

## Principal Activities

Kambu Aboriginal and Torres Strait Islander Corporation for Health's core business is to provide equitable and cultural safe access to Health and Community Services that recognise in equal measure the physical, emotional, social, and spiritual wellbeing of individuals, families, and the broader community, all delivered in a supportive, professional, respectful, and culturally appropriate environment. Programs include:

- Diabetes
- Chronic Disease Prevention & Management
- Child and Maternal Health
- Family Wellbeing Services
- Mental Health Advocacy
- Family Participation Program
- Suicide Prevention
- Allied Health Services
- Long Day Care
- Men's Health
- Women's Health
- Elders
- Deadly Choices
- Hearing Health
- Children and Family Centre
- Dental Services
- Specialist Health Services
- Kindergarten

There were no significant changes in the nature of the organisation's activity during the financial year.

## Short-Term and Long-Term Objectives

- Continue to expand the delivery of comprehensive primary health care, health support programs, and education services that are of the highest quality, sustainable and accessible to the Ipswich and West Moreton communities.
- Facilitate and promote partnerships and alliances with other health care providers and stakeholder groups.
- Meet the spiritual, physical, emotional, social and wellbeing needs of Aboriginal and Torres Strait Islander peoples in the Ipswich and west Moreton region; and
- Ensure a continuous improvement framework, one that supports fit for purpose facilities, trained, and supported staff, who deliver excellence daily.

## Strategy for Achieving the Objectives

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

**1) Strengthening Governance**

- Deliver a Board of Directors and Management team that demonstrate diversity in skills and capabilities ensuring a focus on long term strategy with enhanced oversight of risk and collective accountability.
- Build a competent workforce that reflects the organisation's commitment to increasing Aboriginal and Torres Strait Islander employment in the greater Ipswich region.
- Effective management of revenue sources to enhance service options better meeting the needs of clients.
- Leadership through evidence-based approaches to health care for Aboriginal and Torres Strait Islander individuals and families.

**2) Building and sustaining relationships with all stakeholders**

- Explore and value the input of other sectors to influence and improve health equity and services for Aboriginal and Torres Strait Islander individuals and families.
- Demonstrate transparency through increased communication with all members and stakeholders.
- Value all feedback, ensuring opportunities to improve are considered and where applicable implemented.
- Expand our membership to ensure the voice of the community is front and center.

**3) Improving the lives of individuals and families through quality health service provision and other support services**

- Engage members, clients, staff, and others to increase the number of customers serviced by Kambu Health.
- Extend and advance strategies to integrate primary health care with key social services within a framework of spiritual, physical, and social wellbeing needs.
- Collaborate with research institutes to build an evidence-based method of improving life outcomes for urban Aboriginal and Torres Strait Islander, individuals, and families.
- Expand models of coordinated care inclusive of pathways with other specialist providers.

**4) Building a capable workforce supported through investment in technologies, infrastructure, and training.**

- Build a competent workforce that reflects the organisation's commitment to increasing Aboriginal and Torres Strait Islander employment in the greater Ipswich region.
- Develop internal innovation that supports the other priority areas through efficient and effective management.
- Deliver workplaces that meet all standards inclusive of an enhanced client experience.
- Demonstrate a commitment to the organisation's culture through staff training and development.

## Performance Measures

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

## Company Secretary

The following person held the position of Company secretary at the end of the financial year:

Sheridan Cooper BBus (Accountancy) LLB, GradDipCSP, AGIA AAICD

Sheridan is a corporate governance, compliance, and relationship management professional with over 20 years' experience working with boards, management committees and executive management in the governance of organisations across a wide range of industries including health, aged care, resources, financial services, insurance, construction, transport, and logistics in the not-for-profit, private, public, Government and listed sectors. Sheridan was appointed Company Secretary by the Board in December 2020.

## Meetings of Directors

During the financial year, nine (9) board meetings of Directors were held and four (4) Finance Audit and Risk Management Committee (FaRM) meetings were held. Attendances by each director to the Board and FARM Committee meetings during the year were as follows:

**Directors' Meetings**

| | **Board Meetings** | | **Finance Audit & Risk Management Committee Meetings** | |
|---|---|---|---|---|
| | **Number eligible to attend** | **Number attended** | **Number eligible to attend as a member** | **Number attended** |
| Allan Fisher | 9 | 9 | 4 | 4 |
| Jill Davidson | 9 | 8 | - | 1 |
| Lee-Ann Roch | 9 | 8 | 4 | 4 |
| Damain Storey | 9 | 8 | - | 1 |
| Graham White | 9 | 8 | 4 | 4 |
| Rhianna Patrick | 8 | 7 | - | 1 |
| Maria Baker | 7 | 6 | - | 1 |
| Andrew Weil* | - | - | - | - |
| Calvin Carlo* | - | - | - | - |
| Mark O'Shea** | - | - | 4 | 4 |

## Meetings of Directors (continued)

*Andrew Weil and Calvin Carlo ceased to be Directors before the first meetings were held during the financial year.

** Mark O'Shea was appointed as an independent expert member of the Financial Audit & Risk Committee by resolution of Directors dated 21 June 2022.

## Winding Up

If any surplus remains following the winding up of the organisation, the surplus will not be paid to our distributed amongst Members, but will be given or transferred to another entity which is:

a) an organisation with similar purposes which is not carried on for profit or gain of its individual members.
b) required to apply its profits (if any) or other income in promoting objects similar to those of the organisation; and
c) endorsed as a deductible gift recipient under sub-division 30-BA of the ITAA, such entity to be determined by the Members at or before the winding up and in default, by application to the Supreme Court of Queensland for determination.

## Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the corporation, the results of those operations or the state of affairs of the corporation in future financial years.

## Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with *Corporations (Aboriginal and Torres Strait Islander) Act 2006* has been received and can be found on page 31 of the financial report.

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

**Chair** ________________ Dated this 31st day October 2023

Allan Fisher

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

| | NOTE | 2023<br>$ | 2022<br>$ |
|---|---|---|---|
| Grants income | 2A | 10,455,293 | 9,822,356 |
| Other income | 2B | 4,623,909 | 3,894,289 |
| Employee benefits expense | | (9,592,110) | (8,819,040) |
| Depreciation and amortisation expense | | (802,745) | (1,158,773) |
| Administration expenses | | (243,566) | (215,790) |
| Finance costs | 3 | (24,326) | (36,664) |
| Program expenses | | (303,281) | (600,547) |
| Accounting and audit fees | | (82,774) | (111,409) |
| Board meeting expenses | | (88,780) | (178,520) |
| Computer expenses | | (271,065) | (288,942) |
| Clinical Contract Services | | (486,180) | (456,467) |
| Insurance expenses | | (110,869) | (104,666) |
| Motor vehicle expenses | | (49,099) | (131,328) |
| Loss on disposal of fixed assets | | (456,392) | - |
| Dental Services | | (353,800) | (353,800) |
| Repairs and maintenance | | (123,611) | (180,177) |
| Staff and recruitment costs | | (192,716) | (161,685) |
| Cleaning | | (222,955) | (225,446) |
| Other operating expenses | | (730,142) | (739,208) |
| **PROFIT / (LOSS) BEFORE INCOME TAX EXPENSE** | | **944,791** | **(45,817)** |
| Income tax (expense) / benefit | | - | - |
| **PROFIT / (LOSS) FOR THE YEAR** | | **944,791** | **(45,817)** |
| Other comprehensive income | 15B | - | 1,771,706 |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **944,791** | **1,725,889** |

*The accompanying notes form part of these financial statements.*

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

| | NOTE | 2023<br>$ | 2022<br>$ |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 4 | 5,904,928 | 4,147,527 |
| Trade and other receivables | 5 | 64,687 | 125,495 |
| Other assets | 6 | 46,091 | 94,486 |
| **TOTAL CURRENT ASSETS** | | 6,015,706 | 4,367,508 |
| **NON-CURRENT ASSETS** | | | |
| Property, plant, and equipment | 8 | 12,743,906 | 13,410,387 |
| Right-of-use assets | 9 | 520,385 | 796,223 |
| Intangible assets | 10 | 36,339 | 47,240 |
| **TOTAL NON-CURRENT ASSETS** | | 13,300,630 | 14,253,850 |
| **TOTAL ASSETS** | | 19,316,336 | 18,621,358 |
| **LIABILITIES** | | | |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 11 | 423,645 | 647,066 |
| Lease liabilities | 12 | 215,508 | 428,081 |
| Short-term provisions | 13 | 351,627 | 400,134 |
| Other liabilities | 14 | 354,350 | - |
| **TOTAL CURRENT LIABILITIES** | | 1,345,130 | 1,475,281 |
| **NON-CURRENT LIABILITIES** | | | |
| Lease liabilities | 12 | 321,811 | 439,309 |
| Long-term provisions | 13 | 148,238 | 150,402 |
| **TOTAL NON-CURRENT LIABILITIES** | | 470,049 | 589,711 |
| **TOTAL LIABILITIES** | | 1,815,179 | 2,064,992 |
| **NET ASSETS** | | 17,501,157 | 16,556,366 |
| **EQUITY** | | | |
| Reserves | | 3,650,531 | 3,650,531 |
| Retained earnings | | 13,850,626 | 12,905,835 |
| **TOTAL EQUITY** | | 17,501,157 | 16,556,366 |

*The accompanying notes form part of these financial statements.*

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

| | NOTE | RETAINED EARNINGS<br>$ | RESERVES<br>$ | TOTAL<br>$ |
|---|---|---|---|---|
| Balance at 1 July 2021 | | 12,951,652 | 1,878,825 | 14,830,477 |
| Total profit/(loss) for the period | | (45,817) | - | (45,817) |
| Revaluation of land and buildings | 15B | - | 1,771,706 | 1,771,706 |
| **BALANCE AT 30 JUNE 2022** | | 12,905,835 | 3,650,531 | 16,556,366 |
| Balance at 1 July 2022 | | 12,905,835 | 3,650,531 | 16,556,366 |
| Total profit/(loss) for the period | | 944,791 | - | 944,769 |
| **BALANCE AT 30 JUNE 2023** | | 13,850,626 | 3,650,531 | 17,501,157 |

*The accompanying notes form part of these financial statements.*

| | NOTE | 2023<br>$ | 2022<br>$ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Receipts from customers | | 6,125,550 | 5,083,071 |
| Operating grants received | | 10,809,643 | 9,820,643 |
| Payments to suppliers and employees | | (14,620,298) | (14,158,411) |
| Interest received | | 75,935 | 8,502 |
| **NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES** | | 2,390,830 | 753,805 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Proceeds from sale of property, plant and equipment | | - | 16,364 |
| Payments for property, plant and equipment | | (238,336) | (337,015) |
| **NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES** | | (238,336) | (320,651) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Repayment of lease liabilities | | (395,093) | (471,783) |
| **NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES** | | (395,093) | (471,783) |
| Net increase / (decrease) in cash and cash equivalents | | 1,757,401 | (38,629) |
| Cash and cash equivalents at beginning of financial year | | 4,147,527 | 4,186,156 |
| **CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR** | 4 | 5,904,928 | 4,147,527 |

*The accompanying notes form part of these financial statements.*

Kambu Aboriginal and Torres Strait Islander Corporation for Health ("Kambu", "the Corporation") is incorporated and domiciled in Australia. The Corporation's registered office and principal place of business is detailed at Note 20.

The Corporation is a not-for-profit entity and is primarily involved in delivering comprehensive, culturally appropriate primary health care and health support programs.

The financial statements were authorised for issue on 31 October 2023 by the directors of the Corporation.

# 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 – Simplified Disclosures of the Australian Accounting Standards Board and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

The financial statements are presented in Australian dollars, which is the Corporation's functional currency. The amounts presented in the financial statements have been rounded to the nearest dollar, unless otherwise indicated.

## Accounting Policies

### (a) Income Tax

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

### (b) Property, Plant and Equipment

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

**Property**

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in other comprehensive income. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in other comprehensive income; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

**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 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(e) for details of impairment).

**(b) Property, Plant and Equipment (continued)**

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

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

**Depreciation**

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

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

| Class of Fixed Asset | Depreciation Rate |
|---|---|
| Plant and Equipment | 10% – 25% |
| Furniture, Fixtures and Fittings | 1% - 15% |
| Motor Vehicles | 18.75% |
| Office Equipment | 2.5% - 10% |
| Leasehold Improvements and Capital Works | 2.5% - 10% |

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**(c) Leases**

**The Corporation as Lessee**

At inception of a contract, the Corporation assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Corporation where the Corporation is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Corporation uses the incremental borrowing rate.

**(C) Leases (Continued)**

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentives.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options if the lessee is reasonably certain to exercise the options.
- Lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Corporation anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The following useful lives are used in the calculation of depreciation:

| Right-of-use Asset | Useful Life |
|---|---|
| Buildings | 2 years – 7 years |
| Motor Vehicles | 2 years – 5 years |

**(d) Financial Instruments**

### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Corporation becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Corporation commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

### Classification and subsequent measurement

#### Financial liabilities

Financial liabilities are subsequently measured at:

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

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

**(d) Financial Instruments (continued)**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term.
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income. A financial liability cannot be reclassified.

### Financial assets

Financial assets are subsequently measured at:

- amortised cost.
- fair value through other comprehensive income; or
- fair value through profit or loss.

On the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

**Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

### Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial

**(d) Financial Instruments (continued)**

liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

### Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred.
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Corporation no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

### Impairment

The Corporation recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income.
- lease receivables.
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

A loss allowance for expected credit losses is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Corporation uses the simplified approach to impairment, as applicable under AASB 9 *Financial Instruments*:

### Simplified approach

**(d) Financial Instruments (continued)**

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that results from transactions that are within the scope of AASB 15 *Revenue from Contracts with Customers*, that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss.

Recognition of expected credit losses in financial statements

At each reporting date, the Corporation recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

**(e) Impairment of Assets**

At the end of each reporting period, the Corporation assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116 *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

**(f) Employee Benefits**

**Short-term employee benefits**

Provision is made for the Corporation'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 holiday leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

**(f) Employee Benefits (continued)**

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

**Long-term employee benefits**

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

the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Corporation's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Corporation 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.

**(g) Provisions**

Provisions are recognised when the Corporation 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(h) 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 one month or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**(i) Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed 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.

Trade and other receivables 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(e) for further discussion on determination of impairment losses.

**(j) Revenue Recognition**

Revenue is measured based on the consideration specified in a contract with a customer. The Corporation recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

### (j) Revenue recognition (continued)

| Revenue Stream | Nature | Recognition Criteria |
|---|---|---|
| Grants | Kambu receives grants from several government organisations. Upon receiving grant revenue, the Corporation assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 *Revenue from Contracts with Customers*. | If there are sufficiently specific performance obligations in the contract, then revenue is recognised at the point in time that Kambu satisfies the performance obligations in the contract. Otherwise, revenue is recognised on receipt of the funds. |
| Medicare | Revenue is received from Medicare where a patient bulk bills in place of the patient paying for the visit. | Revenue is recognised at the point in time that the payments are received. |
| COVID-19 | Kambu receives revenue for providing COVID-19 testing and vaccinations to patients. | Revenue is recognised at the point in time that the payments are received. |
| Practice incentive payments | Payments are received based upon performance targets (e.g. number of patients treated). | Revenue is recognised at the point in time that the payments are received. |
| Kindy and LDCC fees | Fees are received from parents of enrolled children for the rendering of education services. | Revenue is recognised at the point in time where it is probable that the Corporation will be compensated for services rendered and the amount of consideration for such services can be reliably measured. |
| C & K Funding | Kambu receives quarterly funding based on children's numbers in the Kindergarten and Long Day Care Centre. | Revenue is recognised at the point in time the funding is received. |

Interest income is recognised using the effective interest method.

### (k) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Corporation that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

### (l) 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.

### (l) Goods and Services Tax (GST) (continued)

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.

### (m) Critical Accounting Estimates and Judgments

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 Corporation.

#### Key judgements

(i) *Lease term and option to extend under AASB 16*

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

*(ii) Performance obligations under AASB 15*

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

### (n) Comparative Figures

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

### (o) New and Amended Accounting Policies Adopted in future years

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Corporation for the annual reporting year ended 30 June 2023. The Corporation has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

| | | NOTE | 2023<br>$ | 2022<br>$ |
|---|---|---|---|---|
| 2. | REVENUE AND OTHER INCOME | | | |
| A) | GRANTS | | | |
| | Grants | | 10,256,878 | 9,789,158 |
| | Capital grants | | 177,650 | - |
| | Program funding | | 20,764 | 9,500 |
| | TOTAL GRANT REVENUE | | 10,455,293 | 9,822,356 |
| B) | OTHER INCOME | | | |
| | Medicare | | 2,402,747 | 1,695,835 |
| | COVID-19 income | | 33,080 | 797,072 |
| | Practice incentive payments | | 410,023 | 256,640 |
| | LDCC fees | | 1,087,476 | 708,293 |
| | C & K funding | | 157,621 | 180,610 |
| | Sundry income | | 434,325 | 153,436 |
| | Gain on disposal of property, plant and equipment | | - | 16,364 |
| | Interest received | | 75,635 | 8,502 |
| | Kindy fees | | 23,002 | 77,537 |
| | TOTAL OTHER INCOME | | 4,623,909 | 3,894,289 |
| C) | TIMING OF REVENUE RECOGNITION OF REVENUE UNDER AASB 15 | | | |
| | At a point in time | | 11,388,120 | 10,584,488 |
| | | | | |
| 3. | PROFIT / LOSS BEFORE INCOME TAX | | | |
| | EXPENSES | | | |
| | Superannuation | | 867,835 | 759,531 |
| | **Finance costs:** | | | |
| | Interest on financial liabilities measured at amortised cost | | | |
| | - Interest on obligations under leases | | 24,269 | 36,664 |
| | TOTAL FINANCE COSTS | | 24,269 | 36,664 |

| | NOTE | 2023<br>$ | 2022<br>$ |
|---|---|---|---|
| **Remuneration of auditor:** | | | |
| - Auditing or reviewing the financial report* | | 82,774 | 53,811 |
| - Other accounting services | | - | 8,000 |
| TOTAL AUDITOR REMUNERATION | | 82,774 | 61,811 |

*PKF Audit Brisbane was appointed in August 2023 to audit the financial year ending 30 June 2023.

| | | | | |
|---|---|---|---|---|
| 4. | CASH AND CASH EQUIVALENTS | | | |
| | CURRENT | | | |
| | Cash at bank | | 5,904,928 | 4,147,326 |
| | Cash on hand | | - | 201 |
| | TOTAL CASH AND CASH EQUIVALENTS | | 5,904,928 | 4,147,527 |
| | RECONCILIATION OF CASH AND CASH EQUIVALENTS | | | |
| | Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to items in the statement of financial position as follows: | | | |
| | Cash and cash equivalents | | 5,904,928 | 4,147,527 |
| 5. | TRADE AND OTHER RECEIVABLES | | | |
| | CURRENT | | | |
| | Trade receivables due from third parties | | 43,121 | 108,272 |
| | Other receivables | | 116,507 | 15,119 |
| | Loss allowance | | (101,677) | (4,632) |
| | Deposits | | 6,736 | 6,736 |
| | TOTAL CURRENT TRADE AND OTHER RECEIVABLES | | 64,687 | 125,495 |
| 6. | OTHER ASSETS | | | |
| | CURRENT | | | |
| | Prepayments | | 46,091 | 76,256 |
| | DiviPay expenses | | - | 18,230 |

| | | | | |
|---|---|---|---|---|
| | TOTAL CURRENT | | 46,091 | 94,486 |

## 7. RELATED PARY TRANSACTIONS

### A) KEY MANAGEMENT PERSONNEL COMPENSATION

| | | 2023<br>$ | 2022<br>$ |
|---|---|---|---|
| Total key management personnel compensation | | 1,734,938 | 1,195,198 |

| | | NOTE | 2023<br>$ | 2022<br>$ |
|---|---|---|---|---|
| **8.** | **PROPERTY, PLANT AND EQUIPMENT** | | | |
| | **LAND AND BUILDINGS** | | | |
| | Land | | 5,250,000 | 5,250,000 |
| | Buildings | | 6,825,000 | 6,825,000 |
| | Accumulated depreciation | | (152,396) | - |
| | **TOTAL LAND AND BUILDINGS** | | 11,922,604 | 12,075,000 |
| | **OFFICE FURNITURE AND EQUIPMENT** | | | |
| | Office furniture and equipment at cost | | 101,526 | 143,188 |
| | Accumulated depreciation | | (43,678) | (69,929) |
| | **TOTAL OFFICE EQUIPMENT** | | 57,848 | 73,259 |
| | **LEASEHOLD IMPROVEMENTS** | | | |
| | Leasehold improvement at cost | | 533,711 | 1,602,168 |
| | Accumulated depreciation | | (435,613) | (926,833) |
| | **TOTAL LEASEHOLD IMPROVEMENTS** | | 98,098 | 675,335 |
| | **PLANT AND EQUIPMENT** | | | |
| | Plant and equipment at cost | | 470,365 | 1,120,352 |
| | Accumulated depreciation | | (27,884) | (555,005) |
| | **TOTAL PLANT AND EQUIPMENT** | | 442,481 | 565,347 |
| | **MOTOR VEHICLES** | | | |
| | Motor vehicles at cost | | 56,959 | 25,897 |
| | Accumulated depreciation | | (11,734) | (4,451) |

| | | |
|---|---|---|
| **TOTAL MOTOR VEHICLES** | **45,225** | **21,446** |
| **CAPITAL WORK IN PROGRESS** | | |
| Capital work in progress – CFC Building | 177,650 | - |
| **TOTAL CAPITAL WORK IN PROGRESS** | **177,650** | **-** |
| **TOTAL PROPERTY, PLANT AND EQUIPMENT** | **12,743,906** | **13,410,387** |

| | LAND AND BUILDINGS | OFFICE FURNITURE AND EQUIPMENT | LEASEHOLD IMPROVEMENTS | PLANT AND EQUIPMENT | MOTOR VEHICLES | CAPITAL WIP | TOTAL |
|---|---|---|---|---|---|---|---|
| **Carrying amount at 1 July 2022** | 12,075,000 | 73,259 | 675,335 | 565,347 | 21,446 | - | 13,410,387 |
| Additions | - | - | - | 29,624 | 31,062 | 177,650 | 238,336 |
| Disposals / Write off | - | (1) | (456,377) | (13) | - | - | (456,391) |
| Depreciation | (152,396) | (15,410) | (120,860) | (152,477) | (7,283) | - | (448,426) |
| **Carrying amount at 30 June 2023** | **11,922,604** | **57,848** | **98,098** | **442,481** | **45,225** | **177,650** | **12,743,906** |

## B) ASSET REVALUATIONS:

### LAND AND BUILDINGS

On 16 June 2022, the freehold land and buildings held by the Corporation were valued by an independent valuer. The valuation was based on recent market transactions on arm's length terms for similar properties. The fair value of the freehold land and buildings was determined based on the capitalisation of net income approach and the direct comparison approach.

The fair value of the freehold land and buildings was determined to be $12,075,000. The fair value of the freehold land and buildings increased by $1,771,706.

The revaluation increment was credited directly to the revaluation surplus.`

## 9. RIGHT-OF-USE ASSETS

The Corporation's lease portfolio includes buildings and equipment.

Option to extend or terminate:

The option to extend or terminate is contained in the property lease of the Corporation. These clauses provide the Corporation opportunities to manage the lease in order to align with its strategies. All the extension or termination options are only exercisable by the Corporation. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use assets.

### A) NET CARRYING AMOUNTS

| | NOTE | 2023<br>$ | 2022<br>$ |
|---|---|---|---|
| Buildings | | 398,000 | 581,687 |
| Motor vehicles | | 122,385 | 214,536 |
| TOTAL RIGHT-OF-USE ASSETS | | 520,385 | 796,223 |

### B) RECONCILIATION OF CARRYING AMOUNTS

| | BUILDINGS | MOTOR VEHICLES | TOTAL |
|---|---|---|---|
| Carrying amount at 1 July 2022 | 581,687 | 214,536 | 796,223 |
| Additions | 434,095 | 41,378 | 475,473 |
| Disposals | (397,290) | (10,603) | (407,893) |
| Depreciation | (220,492) | (122,926) | (343,418) |
| Carrying amount at 30 June 2023 | 398,000 | 122,385 | 520,385 |

## 10. INTANGIBLE ASSETS

| | | | |
|---|---|---|---|
| SOFTWARE | | | |
| At cost | | 54,508 | 54,508 |
| Accumulated amortisation | | (18,169) | (7,268) |
| TOTAL INTANGIBLE ASSETS | | 36,339 | 47,240 |

### A) RECONCILIATION OF CARRYING AMOUNTS

| | SOFTWARE | TOTAL |
|---|---|---|
| Carrying amount at 1 July 2022 | 47,240 | 47,240 |
| Amortisation | (10,901) | (10,901) |
| Carrying amount at 30 June 2023 | 36,339 | 36,339 |

| | | NOTE | 2023 $ | 2022 $ |
|---|---|---|---|---|
| 11. | TRADE AND OTHER PAYABLES | | | |
| | CURRENT | | | |
| | Trade payables due to third parties | | 115,647 | 177,583 |
| | GST payable | | 35,508 | - |
| | Accrued expenses | | 112,899 | 41,664 |
| | PAYG tax payable | | 144,090 | 238,830 |
| | Other payables | | 15,501 | 188,989 |
| | TOTAL CURRENT PAYABLES | | 423,645 | 647,066 |
| 12. | LEASE LIABILITIES | | | |
| | CURRENT | | | |
| | Lease liability – buildings | | 105,284 | 288,565 |
| | Lease liability – motor vehicles | | 110,224 | 139,516 |
| | TOTAL CURRENT LEASE LIABILITY | | 215,508 | 428,081 |
| | NON-CURRENT | | | |
| | Lease liability – buildings | | 298,621 | 350,370 |
| | Lease liability – motor vehicles | | 23,190 | 88,938 |
| | TOTAL NON-CURRENT LEASE LIABILITY | | 321,811 | 439,309 |
| | TOTAL LEASE LIABILITY | | 537,319 | 867,390 |
| 13. | PROVISIONS | | | |
| | CURRENT | | | |
| | Provision for annual leave | | 346,594 | 399,594 |
| | Provision for long service leave | | 5,033 | 540 |
| | TOTAL CURRENT PROVISIONS | | 351,627 | 400,134 |
| | NON-CURRENT PROVISIONS | | | |
| | Provision for long service leave | | 148,238 | 150,402 |
| | TOTAL NON-CURRENT PROVISION | | 148,238 | 150,402 |

### A) RECONCILIATION OF CARRYING AMOUNTS

| | EMPLOYEES BENEFITS $ | TOTAL $ |
|---|---|---|
| Carrying amount at 1 July 2022 | 550,536 | 550,536 |
| Additional provisions raised during the year | 649,930 | 649,930 |
| Provisions used during the year | (700,601) | (701,601) |
| Balance at 30 June 2023 | 499,865 | 499,865 |

| | | NOTE | 2023 $ | 2022 $ |
|---|---|---|---|---|
| 14. | OTHER LIABILITIES | | | |
| | Prepaid Grant Funding | | 32,000 | - |
| | Prepaid Capital Grant Funding | | 322,350 | - |
| | TOTAL OTHER LIABILITIES | | 354,350 | - |
| 15. | RESERVES | | | |
| A) | REVALUATION SURPLUS | | | |
| | The revaluation surplus records revaluations of non-current assets at fair value. | | | |
| B) | ANALYSIS OF ITEMS OF OTHER COMPREHENSIVE INCOME BY EACH CLASS OF RESERVE | | | |
| | REVALUATION SURPLUS | | | |
| | Net gain on revaluation of land and buildings: | | | |
| | - gain on revaluation of land and buildings | | - | 1,771,706 |
| | MOVEMENT IN REVALUATION SURPLUS | | - | 1,771,106 |
| | TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR | | - | 1,771,106 |
| 16. | UNDISCOUNTED FUTURE LEASE PAYMENTS | | | |
| A) | LEASE COMMITMENTS | | | |
| | Payable – future lease payments: | | | |
| | - Not later than 12 months | | 218,419 | 428,081 |

| | | | |
|---|---|---|---|
| - Between 12 months and five years | | 328,749 | 439,309 |
| **FUTURE LEASE PAYMENTS** | | **547,168** | **867,390** |

The Corporation has five non-cancellable property leases with rent payable monthly in advance. The details of these leases are as follows:

| Lease Number | Initial Term | Option to Renew Term | Rental Increase |
|---|---|---|---|
| 1 | 4 years | 3 years | 4% fixed |
| 2 | 2 years | 2 years | CPI Review |
| 3 | 1 year | 1 year | 3% fixed |
| 4 | 2 years | 2 years | CPI Review |
| 5 | 1 year | - | n/a |

The Corporation is also committed to a total of 17 motor vehicle leases as at 30 June 2023. The term of these leases' ranges from three to five years. Rent is payable monthly in advance and there are no increases to the minimum lease payments.

### B) CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure commitments contracted for:

| | NOTE | 2023 | 2022 |
|---|---|---|---|
| | | $ | $ |
| Program expenses | | 322,350 | - |
| **TOTAL CAPITAL EXPENDITURE COMMITMENTS** | | **322,350** | **-** |

## 17. FINANCIAL RISK MANAGEMENT

The Corporation's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

| | | | |
|---|---|---|---|
| **FINANCIAL ASSETS** | | | |
| **CATEGORIES OF FINANCIAL ASSETS** | | | |
| Financial assets measured at amortised cost | | 5,967,435 | 4,273,022 |
| **TOTAL FINANCIAL ASSETS** | | **5,967,435** | **4,273,022** |
| **FINANCIAL LIABILITIES** | | | |
| **CATEGORIES OF FINANCIAL LIABILITIES** | | | |

| | | | |
|---|---|---|---|
| Financial liabilities measured at amortised cost | | 243,592 | 221,659 |
| TOTAL FINANCIAL LIABILITIES | | 243,592 | 221,659 |

## 18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The directors are not aware of any contingent liabilities or contingent assets as at 30 June 2023.

## 19. EVENTS AFTER THE REPORTING PERIOD

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

## 20. CORPORATION DETAILS

The registered office of the Corporation is:

27 Roderick Street

Ipswich QLD 4305

The principal place of business is:

27 Roderick Street

Ipswich QLD 4305

The Directors of the Corporation declare that:

1. In the Directors' opinion, the Corporation is not publicly accountable and the financial statements and notes, as set out on pages 8 to 28, are in accordance with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006, including*:
   - i. comply with Australian Accounting Standards – Simplified Disclosure Requirements and the *Coporations Regulations 2001*; and
   - ii. give a true and fair view of the Corporation's financial position as at 30 June 2023 and of its performance for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.

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

**Director** Dated this 31st Day of October 2023

Allan Fisher (Chair)

**PKF Brisbane Audit**
ABN 33 873 151 348
Level 6, 10 Eagle Street
Brisbane, QLD 4000
Australia

+61 7 3839 9733
brisbane@pkf.com.au
pkf.com.au

# AUDITOR'S INDEPENDENCE DECLARATION

# TO THE DIRECTORS OF KAMBU ABORIGINAL AND TORRES STRAIT ISLANDER CORPORATION FOR HEALTH TRADING

I declare that, to the best of my knowledge and belief, during the year ended Friday, 30 June 2023, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

PKF

PKF BRISBANE AUDIT

T. F. Cronin

TIMOTHY CRONIN
PARTNER

BRISBANE
31 OCTOBER 2023

**PKF Brisbane Audit**
ABN 33 873 151 348
Level 6, 10 Eagle Street
Brisbane, QLD 4000
Australia

+61 7 3839 9733
brisbane@pkf.com.au
pkf.com.au

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KAMBU ABORIGINAL AND TORRES STRAIT ISLANDER CORPORATION FOR HEALTH TRADING

## Report on the Financial Report

### Opinion

We have audited the accompanying financial report of Kambu Aboriginal and Torres Strait Islander Corporation for Health Trading ("the Corporation"), which comprises the statement of financial position as at Friday, 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the financial report of the Corporation is in accordance with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, including:

a) Giving a true and fair view of the Corporation's financial position as at Friday, 30 June 2023 and of its performance for the year ended on that date; and

b) Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

### Independence

We are independent of the Corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

## Directors' Responsibilities for the Financial Report

The directors of the Corporation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* 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.

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

## Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

PKF

PKF BRISBANE AUDIT

T. F. Cronin

TIMOTHY CRONIN
PARTNER

31 OCTOBER 2023
BRISBANE