

**Mawarnkarra Health Service**  
**(A Company Limited by Guarantee)**  
**ABN 68 139 453 348**

**Annual Financial Report**  
**30 June 2023**

# Mawarnkarra Health Service

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# Mawarnkarra Health Service

## Directors' Report

30 June 2023

The directors present their report together with the financial statements of Mawarnkarra Health Service ("the Company") for the financial year ended 30 June 2023 and the auditor's report thereon.

### 1. Directors

The directors of the Company at any time during, or since the end of the financial year are:

Richard Patrick Ansey	28 May 2010
Bruce Monadee	Resigned on 28 November 2022
Phyllis Simmons	9 September 2011
Jill Tucker	Resigned on 28 November 2022
Jolleen Hicks	25 February 2013
Michael Saylor	18 November 2016
Lindsay Todd	15 January 2021

### 2. Bio descriptions of directors

Richard Patrick Ansey

Richard has been MHS Chairperson for the past 4 years, and has taken a strong interest in the health and wellbeing of the Aboriginal & Torres Strait Islander community. Richard has lived in the Pilbara since the age of 10 years and originates from Mer Island in the Torres Strait. Richard proudly calls the Pilbara home; and is married with three children.

Bruce Monadee

Bruce is a Yindjibarndi Elder who was born on his traditional country. Bruce has lived in Roebourne all of his life and currently resides at Cheeditha Community. He has had a long history with Mawarnkarra in his capacity as a Director, spanning over 20 years. Bruce proudly promotes local Aboriginal cultures as being a key solution to Closing the Gap in life expectancy for our community.

Phyllis Simmons

Phyllis has been a Director of MHS since 2011, and has diligently carried out the actions of the Board and represented Mawarnkarra at meetings with external stakeholders, such as the Aboriginal Health Council of WA. Phyllis is a Yamatji Aboriginal woman who has spent the majority of her adult life in the Pilbara.

Jill Tucker

Jill is a Yindjibarndi Elder who joined our Board in February 2013, and currently resides at Mingullatharndo Community. Jill is a strong advocate for local Aboriginal cultures and supporting the health and wellbeing needs of our community.

Jolleen Hicks

Jolleen is a proud Ngarluma Aboriginal woman who grew up in Roebourne, and is passionate about Closing the Health Gaps for our local Aboriginal Community. Jolleen joined the Board in February 2013, and is a strong advocate for Aboriginal organisations being empowered to becoming self- sustainable.

Michael Saylor

Michael joined the MHS Board of Directors in November 2016. He is of Torres Strait Islander descent and has a profound knowledge in Finance and Investment.

# Mawarnkarra Health Service

## Directors' Report

30 June 2023

### 2. Bio descriptions of directors

Lindsay Todd

Lindsay was born in Roebourne District Hospital on 19 April 1950. He did most of his schooling in Roebourne and Derby. After leaving school his first employment was with P.M.G in Port Hedland, Wyndham, Wongan Hills and finally Carnarvon. Lindsay went to Perth in 1975 to study and then work for the Ministry of Justice for 26 years. He returned to Roebourne in 2005 and worked for Centrelink for 10.5 years. He joined MHS as a director in 2020.

### 3. Principal activities

The Company operates an Aboriginal Community Controlled Health Service.

No significant changes in the nature of the Company's activity occurred during the financial year.

### 4. Short and long-term objectives

The Company's short and long-term objectives are to:

- Provide holistic culturally appropriate primary health care services to Aboriginal and Torres Strait Islander peoples in the Roebourne and surrounding areas.
- Provide services that are evidence based and best practice according to Australian and International standards.
- Form partnerships with other Aboriginal and Torres Strait Islander Community Controlled health services and organisations for building Aboriginal and Torres Strait Islander health and health related services.
- Provide opportunities to build the capacity of the Aboriginal and Torres Strait Islander health work force within the local service area of Mawarnkarra Health Service.
- Advocate on behalf of Aboriginal and Torres Strait Islander people in respect to matters relating to and relevant to the objectives of Mawarnkarra Health Service and as relevant to the Aboriginal and Torres Strait Islander people of Roebourne and the surrounding areas including the whole Pilbara region.
- Contribute to the best practice evidence of primary health care services for Aboriginal and Torres Strait Islander people by participating in and contributing to research that is culturally appropriate, ethical and relevant to the needs of the clients, members of Mawarnkarra Health Service and all Aboriginal and Torres Strait Islander people within our network.

# Mawarnkarra Health Service

## Directors' Report

30 June 2023

### Strategy for achieving the objectives

The Company has a 5-point strategic plan that identifies the priorities for achieving the objectives of the Mawarnkarra Health Service. The strategic priorities of the Company are as follows:

- Strong and healthy people - achieved through a clinic that provides comprehensive health care services, health assessments, an integrated disease support and management team, case management for clients across all service areas, maternal and child health and expanded dental services.
- A strong and healthy community - achieved by promoting and encouraging health and safety for men, women and children, support for individuals and families affected by incarceration. Aged care service, satellite services in the town of Karratha and outreach services provided to communities in remote areas.
- A strong and sustainable workforce - achieved by continually engaging in professional development, provide workforce support services and emphasis on commitment to evidence based best practices.
- A strong and effective organisation - achieved through developing a physical infrastructure conducive to services provided, integrated Continuous Quality Improvement (CQI) framework, finance and administration management that is systems based, evidence based, transparent and participatory; and proactive governance leading and planning.
- Strong and effective networks and linkages - achieved through building dynamic and effective partnerships and proactive leadership within the Pilbara for service delivery.

### 5. Operating and financial review

The profit of the Company for the year ended 30 June 2023 was \$ 894,134 (2022: loss of \$152,699).

#### Events after the reporting date

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

#### Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

#### Environmental matters

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

# Mawarnkarra Health Service

## Directors' Report

30 June 2023

### 6. Meetings of directors

During the financial year, 7 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Richard Patrick Ansey  
Bruce Monadee  
Phyllis Simmons  
Jill Tucker  
Jolleen Hicks  
Michael Saylor  
Lindsay Todd

Directors' Meetings	
Number eligible to attend	Number attended
7	7
2	1
7	6
2	1
7	3
7	7
7	7

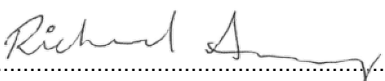
### 7. Indemnification and insurance of officers and auditors


No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Mawarnkarra Health Service.

### 8. Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2023 has been received and can be found on page 5 of the financial report.

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

Director:   
Richard Patrick Ansey

Director:   
Phyllis Simmons

Dated 23rd day of November 2023

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street  
LEEDERVILLE WA 6007

Phone: 9466 9009

To The Board of Directors

## **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

As lead audit director for the audit of the financial statements of Mawarnkarra Health Service for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

*Criterion Audit Pty Ltd*

**CRITERION AUDIT PTY LTD**  
**Chartered Accountants**

*Elizabeth Louwrens*

**ELIZABETH LOUWRENS CA**  
**Director**

DATED at PERTH this 23<sup>rd</sup> day of November 2023

# Mawarnkarra Health Service

## Statement of Financial Position As At 30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	5,328,729	5,015,240
Trade and other receivables	9	515,886	440,526
Loans and advances		723	-
Other assets	10	169,553	12,209
<b>TOTAL CURRENT ASSETS</b>		<b>6,014,891</b>	<b>5,467,975</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	11	3,683,917	3,536,224
Property, plant and equipment	8	7,078,727	6,181,377
Right-of-use assets	14	49,713	5,170
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,812,357</b>	<b>9,722,771</b>
<b>TOTAL ASSETS</b>		<b>16,827,248</b>	<b>15,190,746</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	5,290,427	4,706,659
Employee benefits	13	443,561	364,581
Lease liabilities	14	25,381	5,344
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,759,369</b>	<b>5,076,584</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	13	46,142	10,876
Lease liabilities	14	24,317	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>70,459</b>	<b>10,876</b>
<b>TOTAL LIABILITIES</b>		<b>5,829,828</b>	<b>5,087,460</b>
<b>NET ASSETS</b>		<b>10,997,420</b>	<b>10,103,286</b>
<b>EQUITY</b>			
Retained earnings		10,997,420	10,103,286
<b>TOTAL EQUITY</b>		<b>10,997,420</b>	<b>10,103,286</b>

The accompanying notes form part of these financial statements.



# Mawarnkarra Health Service

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Grant revenue	3	13,687,163	8,563,765
Medicare revenue		1,404,518	1,131,727
NDIS revenue		505,530	851,215
Other sources of revenue		481,336	103,617
Finance income	4	665,194	(283,763)
<b>Total income</b>		<b>16,743,741</b>	<b>10,366,561</b>
Personnel expenses	5	(7,755,120)	(5,635,180)
Depreciation expense - PPE	8	(270,229)	(260,955)
Depreciation of right of use assets	14	(7,227)	(28,366)
Other expenses	6	(7,796,937)	(4,579,752)
Finance expenses	4	(20,094)	(15,007)
<b>Total expenses</b>		<b>(15,849,607)</b>	<b>(10,519,260)</b>
<b>Profit/(loss) before income tax</b>		<b>894,134</b>	<b>(152,699)</b>
Income tax expense		-	-
<b>Profit/(loss) for the year</b>		<b>894,134</b>	<b>(152,699)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>894,134</b>	<b>(152,699)</b>

The accompanying notes form part of these financial statements.

# Mawarnkarra Health Service

## Statement of Changes in Equity For the Year Ended 30 June 2023

2023

	Retained Earnings	Total
	\$	\$
<b>1 July 2022</b>	<b>10,103,286</b>	<b>10,103,286</b>
Profit for the year	<b>894,134</b>	<b>894,134</b>
<b>Balance at 30 June 2023</b>	<b>10,997,420</b>	<b>10,997,420</b>

2022

	Retained Earnings	Total
	\$	\$
<b>1 July 2021</b>	10,255,985	10,255,985
Loss for the year	(152,699)	(152,699)
<b>Balance at 30 June 2022</b>	<b>10,103,286</b>	<b>10,103,286</b>

The accompanying notes form part of these financial statements.

# Mawarnkarra Health Service

## Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash receipts from funders and operating activities	<b>16,070,693</b>	13,657,801
Payments to suppliers and employees	<b>(14,960,246)</b>	(11,008,349)
Interest received	<b>282,371</b>	231,991
Net cash provided by operating activities	<b>7 1,392,818</b>	<u>2,881,443</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
<b>Acquisition of property, plant and equipment</b>		
Proceeds from sale of plant and equipment	<b>469,746</b>	482,995
Purchase of property, plant and equipment	<b>8 (1,756,695)</b>	(1,125,880)
Proceeds from/(purchase of) investments	<b>235,130</b>	(212,141)
Net cash used in investing activities	<b>(1,051,819)</b>	<u>(855,026)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payment of lease interest	<b>(189)</b>	(292)
Payment of other finance costs	<b>(19,905)</b>	(14,715)
Principal repayments of lease liabilities	<b>(7,416)</b>	(28,901)
Net cash used in financing activities	<b>(27,510)</b>	<u>(43,908)</u>
Net increase in cash and cash equivalents held	<b>313,489</b>	1,982,509
Cash and cash equivalents at beginning of year	<b>5,015,240</b>	3,032,731
Cash and cash equivalents at end of financial year	<b>7 5,328,729</b>	<u>5,015,240</u>

The accompanying notes form part of these financial statements.

# Mawarnkarra Health Service

## Notes to the Financial Statements For the Year Ended 30 June 2023

The financial report covers Mawarnkarra Health Service (the "Company") as an individual entity. Mawarnkarra Health Service is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of the Company is Australian dollars.

The financial report was authorised for issue by the Directors on 23 November 2023.

Comparatives are consistent with prior years, unless otherwise stated.

### 1. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the Corporations Act 2001.

#### Summary of Significant Accounting Policies

##### (a) Revenue and other income

###### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

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

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

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

###### Specific revenue streams

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

###### Donations

Donations are recognised at the time the pledge is made.

# Mawarnkarra Health Service

## Notes to the Financial Statements For the Year Ended 30 June 2023

### Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Specific revenue streams

##### Medicare

Medicare income is recognised when the income is earned.

##### Finance income

Finance revenue is recognised using the effective interest method.

##### Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the construction period of the asset based on performance obligations being met.

##### Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

#### (b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

#### (d) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

# Mawarnkarra Health Service

## Notes to the Financial Statements For the Year Ended 30 June 2023

### Summary of Significant Accounting Policies

#### (d) Current and non-current classification

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

#### (e) Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

From 01/07/2022, all assets with a purchase cost under \$5,000 are to be immediately taken to Profit and Loss.

The effective life of all assets purchased from 01/07/2022 are calculated using Australian Taxation Office determination.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives.

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

Buildings	2.50%
Plant and Equipment	8% - 40%
Motor Vehicles	10%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

#### (f) Financial instruments

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

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

#### Cash and cash equivalents

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

#### Trade and other receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an

# Mawarnkarra Health Service

## Notes to the Financial Statements For the Year Ended 30 June 2023

### Summary of Significant Accounting Policies

#### (f) Financial instruments

estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

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

Other receivables are recognised at amortised cost less any allowance for expected credit losses.

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days.

#### Contract Liabilities

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

#### (g) Impairment of non-financial assets

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

The recoverable amount of an asset is measured at the fair value less costs of disposal.

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

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

#### (h) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

# Mawarnkarra Health Service

## Notes to the Financial Statements For the Year Ended 30 June 2023

### Summary of Significant Accounting Policies

#### (h) Leases

##### Lessee accounting

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

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

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

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

##### *Exceptions to lease accounting*

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

#### (i) Employee benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

#### (j) Going concern

The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and extinguishment of liabilities in the ordinary course of business. The ongoing operation of the services provided by the Company and the ability to continue as a going concern is dependent upon the continued receipt of funds from the Commonwealth and State Government.

#### (k) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.



# Mawarnkarra Health Service

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 2. Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

#### **Key estimates - impairment of property, plant and equipment**

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### **Key estimates - long service leave provision**

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

#### **Key estimates - 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.

#### **Key estimates - estimation of useful lives of assets**

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

#### **Key judgments - Impairment of non-financial assets**

The Company assesses the impairment of non-financial assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

# Mawarnkarra Health Service

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 3. Grant Revenue

	2023	2022
	\$	\$
Aboriginal Health Council of WA	125,563	203,876
Department of Health	8,896,336	5,682,326
WA Country Health Service	1,105,457	702,180
Department of Communities	1,042,812	524,819
Department of Health WA	548,133	53,287
National Indigenous Australians Agency	116,920	68,320
National Aboriginal Community Controlled Health Organization	260,414	228,386
Western Australian Primary Health Alliance	791,628	775,644
Rural Health West	141,705	126,082
Lotterywest	153,686	50,000
National Disability Insurance Agency	300,139	148,845
National Disability Services	148,951	-
Pilbara Aboriginal Health Alliance	15,207	-
Various Small Grants	20,777	-
<b>Total Operating Grants</b>	<b>13,667,728</b>	<b>8,563,765</b>
Infrastructure and maintenance grants	19,435	-
<b>Total Grant Revenue</b>	<b>13,687,163</b>	<b>8,563,765</b>

### 4. Finance Income and Expenses

<b>Finance income</b>		
Investment Income	220,929	226,856
Fair value gain/(loss) on financial assets	382,823	(515,754)
Interest Income	61,442	5,135
<b>Total finance income</b>	<b>665,194</b>	<b>(283,763)</b>
<b>Finance expenses</b>		
Interest expense on leases	189	292
Other finance costs	19,905	14,715
<b>Total finance expenses</b>	<b>20,094</b>	<b>15,007</b>

# Mawarnkarra Health Service

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 5. Personnel Expenses

	2023	2022
	\$	\$
<b>Employee costs</b>		
Wages and salaries	6,466,567	5,054,711
Superannuation contributions	670,915	517,604
Other personnel expenses	617,638	62,865
<b>Employee costs</b>	<u>7,755,120</u>	<u>5,635,180</u>

### 6. Other Expenses

Advertising	153,036	86,853
Consulting and professional fees	1,312,631	1,071,741
Insurance	293,804	223,951
IT Expenses	143,918	184,683
Medical supplies	180,027	230,998
Motor vehicle expenses	268,267	260,899
Other expenses	1,763,617	1,376,160
NDIS expenses	371,192	288,106
Repairs and maintenance	190,894	170,128
Rental expenses	529,874	330,778
Travel expenses	379,660	256,769
Training expenses	125,940	98,686
Loss on sale of assets	119,370	-
Provision for return of funding	1,964,707	-
<b>Total</b>	<u>7,796,937</u>	<u>4,579,752</u>

# Mawarnkarra Health Service

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 7. Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash on hand	37	241
Cash at Bank	<b>5,328,692</b>	5,014,999
<b>Cash and cash equivalents</b>	<b>5,328,729</b>	5,015,240
Restricted funds	<b>3,790,474</b>	4,240,824
Unrestricted funds	<b>1,538,255</b>	774,416
	<b>5,328,729</b>	5,015,240

Restricted funds as at 30 June 2023 of \$3,790,474 was comprised of unspent program funds less non-cash restricted funds amounting to \$206,554 (2022: \$4,240,824 comprised of capital commitments payable in cash and unspent program funds).

#### Reconciliation of cash

Reconciliation of net income to net cash provided by operating activities:

Profit/(loss) for the year	<b>894,134</b>	(152,699)
- Interest paid	<b>20,094</b>	15,007
Non-cash flows in profit:		
- depreciation on right of use assets	<b>7,227</b>	28,366
- depreciation on PPE	<b>270,229</b>	260,955
- (revaluation)/impairment of financial assets	<b>(382,823)</b>	515,754
- net loss on disposal of property, plant and equipment	<b>119,370</b>	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	<b>(109,123)</b>	103,569
- (increase)/decrease in other assets	<b>(124,304)</b>	2,563
- increase in trade and other payables	<b>583,768</b>	2,057,000
- increase in employee benefits	<b>114,246</b>	50,928
Cashflows from operations	<b>1,392,818</b>	2,881,443

# Mawarnkarra Health Service

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 8. Property, Plant and Equipment

	2023	2022
	\$	\$
Land		
At Cost	1,862,328	1,812,328
Impairment	(553,126)	(553,126)
Total Land	<u>1,309,202</u>	<u>1,259,202</u>
Buildings		
At Cost	7,117,217	6,556,963
Accumulated Depreciation	(877,286)	(773,136)
Impairment	(1,829,632)	(1,829,632)
Total buildings	<u>4,410,299</u>	<u>3,954,195</u>
Total land and buildings	<u>5,719,501</u>	<u>5,213,397</u>
Capital works in progress		
At cost	118,760	-
Total capital works in progress	<u>118,760</u>	<u>-</u>
Plant and equipment		
At cost	1,369,236	1,562,442
Accumulated depreciation	(779,195)	(1,038,616)
Total plant and equipment	<u>590,041</u>	<u>523,826</u>
Motor vehicles		
At cost	1,241,331	1,026,705
Accumulated depreciation	(590,906)	(582,551)
Total motor vehicles	<u>650,425</u>	<u>444,154</u>
Total plant and equipment	<u>1,359,226</u>	<u>967,980</u>
<b>Total property, plant and equipment</b>	<u><u>7,078,727</u></u>	<u><u>6,181,377</u></u>

# Mawarnkarra Health Service

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 8. Property, Plant and Equipment

#### (a) Movements in carrying amounts of property, plant and equipment

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

	Capital Works in Progress	Land	Buildings	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2023</b>						
Balance at beginning of year	-	1,259,202	3,954,195	523,826	444,154	6,181,377
Additions	118,760	50,000	560,254	295,872	731,809	1,756,695
Disposals	-	-	-	(120,209)	(468,907)	(589,116)
Depreciation	-	-	(104,150)	(109,448)	(56,631)	(270,229)
<b>Balance at the end of the year</b>	<b>118,760</b>	<b>1,309,202</b>	<b>4,410,299</b>	<b>590,041</b>	<b>650,425</b>	<b>7,078,727</b>
<b>Year ended 30 June 2022</b>						
Balance at beginning of year	-	1,235,000	3,972,836	260,833	330,778	5,799,447
Additions	-	24,202	82,028	389,920	629,730	1,125,880
Disposals	-	-	-	-	(482,995)	(482,995)
Depreciation	-	-	(100,669)	(126,927)	(33,359)	(260,955)
<b>Balance at the end of the year</b>	<b>-</b>	<b>1,259,202</b>	<b>3,954,195</b>	<b>523,826</b>	<b>444,154</b>	<b>6,181,377</b>

# Mawarnkarra Health Service

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 9. Trade and Other Receivables

	2023	2022
	\$	\$
Trade receivables	396,367	413,714
Other receivables	119,519	26,812
<b>Total</b>	<b>515,886</b>	<b>440,526</b>

### 10. Other Assets

Prepayments	129,765	5,461
Lease property bonds	39,788	6,748
<b>Total</b>	<b>169,553</b>	<b>12,209</b>

### 11. Other Financial Assets Measured at Fair Value through Profit and Loss

MHS Investment Moderate	-	1,058,398
MHS Investment Growth	3,683,917	2,477,826
<b>Total</b>	<b>3,683,917</b>	<b>3,536,224</b>

### 12. Trade and Other Payables

Contract Liabilities	3,997,028	3,895,759
Trade payables	688,303	248,899
GST payable	-	272,658
PAYG payable	-	82,566
Superannuation payable	74,577	-
Employee deductions	-	137
Accrued expenses	526,883	21,311
Other payables	3,636	185,329
<b>Total</b>	<b>5,290,427</b>	<b>4,706,659</b>

Unspent program funds of \$3,997,028 (2022: \$3,895,759) are held by the Company as at 30 June 2023. The acquittal process is currently in progress for these programs, with approval being sought to carry these unspent grants over to next year. If approval is not obtained, these funds may be required to be repaid. Funds amounting to \$206,554 is still receivable and not yet received in cash, see note 7.

### 13. Employee Benefits Liabilities

Current		
Annual leave provision	263,861	220,223
Long service leave provision	179,700	144,358
	<b>443,561</b>	<b>364,581</b>
Non-current		
Long service leave	46,142	10,876

# Mawarnkarra Health Service

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 14. Leases

#### Company as a lessee

The Company has leases over a range of assets including land and buildings, phone and IT equipment.

Information relating to the leases in place and associated balances and transactions are provided below.

#### *Terms and conditions of leases*

The Company has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability.

#### Right-of-use assets

	Buildings \$	Office Equipment \$	Total \$
<b>Year ended 30 June 2023</b>			
Balance at 1 July 2022	-	5,170	5,170
Additions	51,770	-	51,770
Depreciation	(2,057)	(5,170)	(7,227)
<b>Balance at end of year</b>	<b>49,713</b>	<b>-</b>	<b>49,713</b>
<b>Year ended 30 June 2022</b>			
Balance at 1 July 2021	12,858	20,678	33,536
Depreciation	(12,858)	(15,508)	(28,366)
<b>Balance at end of year</b>	<b>-</b>	<b>5,170</b>	<b>5,170</b>

#### Lease Liabilities

Leased liabilities are secured by the underlying leased assets.

	Buildings \$	Office Equipment \$	Total \$
<b>Year ended 30 June 2023</b>			
Balance at 1 July 2022	-	5,344	5,344
New leases entered into	51,770	-	51,770
Principal repayments	(2,072)	(5,344)	(7,416)
<b>Balance at end of year</b>	<b>49,698</b>	<b>-</b>	<b>49,698</b>



# Mawarnkarra Health Service

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 14. Leases

#### Lease Liabilities

	2023	2022
	\$	\$
Current	25,381	5,344
Non-current	24,317	-
<b>Total</b>	<b>49,698</b>	<b>5,344</b>

### 15. Capital Commitments

As at 30 June 2023, the organisation did not have any capital commitments while in prior year, purchase orders were issued for capital items which had not been received as at 30 June 2022 as follows:

Men's shed - cash purchases	\$213,702
Motor vehicles - cash purchases	\$131,363
Motor vehicles - buy back scheme	\$253,779

### 16. Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of the Company during the year are as follows:

Short-term employee benefits	381,722	354,807
Long-term benefits	42,588	26,474
Post-employment benefits	36,306	35,281
<b>Total</b>	<b>460,616</b>	<b>416,562</b>

### 17. Auditors' Remuneration

Remuneration of the auditor Criterion Audit Pty Ltd (2022: AMD Chartered Accountants), for:

- audit of annual financial reports and acquittals	25,000	18,880
- other services - review of opening balances	1,500	-
<b>Total</b>	<b>26,500</b>	<b>18,880</b>

### 18. Contingent Liability

A past event has given rise to an ongoing legal investigation. Legal fees have arisen but on the basis of the evidence available at time of financial report approval, the contingent liability, if any, cannot be reasonably estimated, nor the likelihood of monetary settlement, should the claimant/s be successful.

# Mawarnkarra Health Service

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 19. Related Parties

(a) **The Company's main related parties are as follows:**

For remuneration paid to key management personnel - refer to Note 16.

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or joint control over these entities.

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

During the year, the Company received services from Aboriginal Insights , which is controlled by Jolleen Hicks (Director). The terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel or directors related entities on an arm's length basis.

(b) **Transactions with related parties**

The aggregate value of these transactions and outstanding balances relating to these services were as follows:

	<b>Transaction Amount</b>	<b>Balance outstanding Owed by the company</b>
	<b>\$</b>	<b>\$</b>
<b>KMP related parties</b>		
Consulting Services - 2023	24,232	8,800
Consulting Services - 2022	26,818	-

### 20. Events After the End of the Reporting Period

The financial report was authorised for issue on 23 November 2023 by the Board of Directors.

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

### 21. Statutory Information

The registered office and principal place of business of the company is:

Mawarnkarra Health Service  
20 Sholl Street  
Roebourne WA 6718

# Mawarnkarra Health Service

## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 24, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - a. complying with Australian Accounting Standards - Simplified Disclosures and the Australian Charities and Not-for-profits Commission Regulations 2013, and
  - b. giving a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company 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 .....  
Richard Patrick Ansey

Director .....  
Phyllis Simmons

Dated 23 November 2023

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street  
LEEDERVILLE WA 6007

Phone: 9466 9009

## **Independent Auditor's Report**

### **To the Members of Mawarnkarra Health Service**

#### **Report on the Audit of the Financial Report**

##### **Opinion**

We have audited the financial report of Mawarnkarra Health Service ("the Company"), which comprises the statement of financial position as at 30 June 2023, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

## **Responsibilities of the Directors 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.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or has 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report

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

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

*Criterion Audit Pty Ltd*

**CRITERION AUDIT PTY LTD**

*ELIZABETH LOUWRENS*

**ELIZABETH LOUWRENS CA**

**Director**

DATED at PERTH this 23<sup>rd</sup> day of November 2023