



ABN 98 653 603 543

Annual Report For The Financial Year Ended
30 June 2024

Issued 21 November 2024

Geraldton Regional Aboriginal Medical Service Inc

Annual Financial Report

for the year ended 30 June 2024

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Directors' Report

for the year ended 30 June 2024

The directors present their report together with the financial statements of Geraldton Regional Aboriginal Medical Service Inc ("the Corporation") for the financial year ended 30 June 2024 and the auditor's report thereon.

Directors

The names of each person who has been a Director during the year to the date of this report are listed below.

Arthur Davies (Chairperson)
Rachel Mallard (Vice Chairperson)
Carissa Bellottie (Secretariat)
Peggy Mallard (Director)
Justin Mallard (Director)
Luana McGregor (Director)
Megan Roberts (Director)
Erica Ryan (Director)

The Directors have been in office since the beginning of the financial year, unless otherwise stated.

Corporation secretary

The Corporation's Secretary who served throughout the year was Carissa Bellottie.

Review of operations

The principal activity of the Corporation during the financial year were the provision of medical services to Aboriginal residents of Mid West region of Western Australia. There were no significant changes in the nature of those activities during the year.

Operating results

The total comprehensive income of the Corporation for the year was a profit of \$4,479,218 (2023: \$2,310,495).

Significant changes in state of affairs

No significant changes in the Corporation's state of affairs occurred during the year.

After balance date events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Corporation's Board of Directors, to affect significantly the operations of the Corporation or the state of affairs of the Corporation in future years.

Likely developments

There are no significant changes expected in the nature of the operations of the Corporation.

Environmental Performance

The Corporation is not subject to any particular and significant environmental regulation under a Commonwealth, State or Territory law.

Distributions to members during the year

No distributions were recommended, declared or paid to Members during the year.

Geraldton Regional Aboriginal Medical Service Inc

Directors' Report (continued)
for the year ended 30 June 2024

Meetings of directors

During the financial year, 5 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Arthur Davies (Chairperson)
Rachel Mallard (Vice Chairperson)
Carissa Bellottie (Secretariat)
Peggy Mallard (Director)
Justin Mallard (Director)
Luana McGregor (Director)
Megan Roberts (Director)
Erica Ryan (Director)

Directors' Meetings	
Number eligible to attend	Number attended
5	3
5	4
5	5
5	5
5	1
5	5
5	3
5	3

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 the Corporation.

Proceedings on behalf of the Corporation

No person has applied for leave of Court to bring proceedings on behalf of the Corporation or to intervene in any proceedings to which the Corporation is a party, for the purpose of taking responsibility on behalf of the Corporation for all or any part of those proceedings. The Corporation was not a party to any such proceedings during the year.

Auditor's independence declaration

The Corporation's Auditor is Criterion Audit Pty Ltd. The auditor's independence declaration for the year ended 30 June 2024 has been received and can be found within the financial statements.

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



Sandy Davies
Chairperson
Date: 21 November 2024

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 60.40 of the *Australian Charities and Not-For-Profits Act 2012*

As lead audit director for the audit of the financial statements of Geraldton Regional Aboriginal Health Service Inc. for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Associations Incorporation Act 2015* or the *Australian Charities and Not-For-Profit Act 2012* 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 26th day of November 2024

Directors' Declaration

for the year ended 30 June 2024

The directors of the Corporation 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 2024 and of the performance for the year ended on that date of the Corporation.
2. In the directors' opinion, there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.

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



Arthur Sandy Davies
Chairperson
Date: 21 November 2024



Rachel Mallard
Vice Chairperson
Date: 21 November 2024

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Income			
Government and other grants	3A	23,894,651	20,819,866
Sale of goods and rendering of services	3B	4,645,890	3,886,157
Interest income		221,925	51,847
Total revenue		28,762,466	24,757,870
Gains (losses)			
Sale of assets	3C	-	1,616
Total gains		-	1,616
Total income		28,762,466	24,759,486
Expenses			
Employee benefits	4A	14,794,998	13,915,805
Other expenses	4B	8,621,955	7,946,094
Depreciation and amortisation	4C	827,582	585,291
Interest expense	4D	38,713	-
Bad debts expense		-	1,800
Total expenses		24,283,248	22,448,990
Profit (loss) before tax		4,479,218	2,310,496
Income tax	1.21	-	-
Profit (loss) for the year		4,479,218	2,310,496
Other comprehensive income		-	-
Total comprehensive income		4,479,218	2,310,496

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	13,326,662	10,451,002
Trade and other receivables	6	1,173,442	528,481
Other assets	7	278,309	1,312,335
Total current assets		14,778,413	12,291,818
Non-current assets			
Property, plant and equipment	8	8,376,022	8,839,091
Right of use asset	9	697,536	-
Total non-current assets		9,073,558	8,839,091
Total assets		23,851,971	21,130,909
LIABILITIES			
Current liabilities			
Trade and other payables	10	1,824,328	967,342
Borrowings	11	1,948	(940)
Lease liability	13	268,466	-
Employee provisions	14	996,935	968,303
Other liabilities	12	1,115,886	4,526,599
Total current liabilities		4,207,563	6,461,304
Non-current liabilities			
Lease liabilities	13	443,936	-
Employee provisions	14	382,847	331,198
Total non-current liabilities		826,783	331,198
Total liabilities		5,034,346	6,792,502
Net assets		18,817,625	14,338,407
EQUITY			
Retained earnings		13,833,574	12,789,571
Unpent Grants reserve	15	3,435,214	-
Asset revaluation reserve		1,548,836	1,548,836
Total equity		18,817,625	14,338,407

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Value total.

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2024

	Retained Earnings	Unspent Grants Reserve	Asset Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2022				
Balance carried forward from previous period	10,473,279	-	1,548,836	12,022,115
Total comprehensive income	2,310,496	-	-	2,310,496
Prior year adjustment for carried forward grant	5,391	-	-	5,391
Other prior period adjustment	405	-	-	405
Total income for the period	2,316,292	-	-	14,338,407
Closing balance at 30 June 2023	12,789,571	-	1,548,836	26,360,522
Balance at 1 July 2023				
Balance carried forward from previous period	12,789,571	-	1,548,836	14,338,407
Total comprehensive income	4,479,218	-	-	4,479,218
Movement between reserves	(3,435,214)	3,435,214	-	-
Total income for the period	1,044,004	3,435,214	-	4,479,218
Closing balance at 30 June 2024	13,833,574	3,435,214	1,548,836	18,817,625

The above statement should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Cash received			
Government grants, goods and services		27,895,580	26,656,660
Interest		221,925	51,847
Total cash received		<u>28,117,505</u>	<u>26,708,507</u>
Cash used			
Employees & suppliers		(24,853,485)	(23,619,065)
Interest payments		(38,713)	-
Total cash used		<u>(24,892,198)</u>	<u>(23,619,065)</u>
Net cash from or (used by) operating activities	16	<u>3,225,307</u>	<u>3,089,442</u>
Cash flows from investing activities			
Cash received			
Proceeds from sales of property, plant and equipment		-	7,228
Total cash received		<u>-</u>	<u>7,228</u>
Cash used			
Acquisition of property, plant and equipment		(175,324)	(389,567)
Acquisition of right of use assets		(886,725)	-
Total cash used		<u>(1,062,049)</u>	<u>(389,567)</u>
Net cash from or (used by) investing activities		<u>(1,062,049)</u>	<u>(382,339)</u>
Cash flows from financing activities			
Cash used			
Net payments to reduce lease liabilities and credit cards		(712,402)	13,787
Total cash used		<u>(712,402)</u>	<u>13,787</u>
Net cash from or (used by) financing activities		<u>(712,402)</u>	<u>13,787</u>
Net increase or (decrease) in cash held		<u>1,450,856</u>	<u>1,646,266</u>
Cash at the beginning of the reporting period		10,451,002	7,730,111
Cash at the end of the reporting period	5	<u>13,326,662</u>	<u>10,451,002</u>

The above statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1: Summary of Significant Accounting Policies

1.1 Corporate information

Geraldton Regional Aboriginal Medical Service Inc ('GRAMS' or the 'Corporation') is incorporated under the Associations InCorporations Act 2015. It was first registered on 19 August 1983.

(a) Registered office

The Corporation is domiciled in Australia. The registered office and business address is:

Geraldton Regional Aboriginal Medical Service Inc
Rifle Range Road
Geraldton WA

(b) Not-for-profit

The Corporation is a not-for-profit organisation. It is registered as a charitable organisation with the Australian Charities and Not-for-profits Commission (ACNC).

(c) Description of operations

The Corporation delivers high quality progressive health care to Aboriginal people. It is an organisation of Aboriginal people, for Aboriginal people, controlled by Aboriginal people. GRAMS vision is for Aboriginal people to live healthy lives, enriched by a strong living culture, dignity and justice, and that GRAMS is recognised as a driving force in achieving this.

1.2 Basis of accounting

The financial statements are general purpose financial statements (simplified disclosures) that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures in accordance with Associations Incorporations Act 2015 and the Australian Charities and Not-for-profits Commission Act 2012, and the Corporations' rules and comply with all the recognition and measurement requirements in Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historic costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities.

The presentation currency is Australian dollars (\$AUD). Amounts presented in the financial statements have been rounded to the nearest whole dollar.

The financial statements are prepared for the Corporation as an individual entity.

Date of Issue

This financial report was authorised for issue by the Corporation's Board of Directors with effect from 13 November 2024. The Board of Directors has the authority to amend these reports after that date.

The following is a summary of the material accounting policies adopted by the Corporation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

1.3 Significant accounting judgements and estimates and changes to accounting policies.

In the process of applying the accounting policies listed in this note, the Corporation has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- Doubtful debts were estimated by determining a probability of payment for each debtor.
- Certain allocations of employee costs to various projects and activities was on the basis of estimated percentage of time worked on the given project or activity.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

Notes to the Financial Statements

for the year ended 30 June 2024

Changes in accounting policies

There are no changes to accounting policies that would materially affect the financial report for the year ended 30 June 2024.

1.4 Revenue

Revenue recognition

Revenue from contracts with customers

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

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

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

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

Other Revenue

From time to time, the Corporation receives assets from the government and other parties for nil or nominal value. Geraldton Regional Aboriginal Medical Service Inc receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

1.5 Gains

Other resources received free of charge

Resources received free of charge are recorded as either revenue or gains depending on their nature ie. whether they have been generated in the course of the ordinary activities of the Corporation.

Sale of assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

1.6 Employee benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Notes to the Financial Statements

for the year ended 30 June 2024

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Corporation is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Corporation's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave as at 30 June was based on estimates of the probability of the Corporation's employees qualifying for long service leave under the relevant terms of their employment. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

Staff of the Corporation are members of superannuation funds of their own choosing.

The Corporation makes employer contributions to various employee superannuation schemes at the statutory percentage rate of the applicable base amount.

The liability for superannuation recognised as at 30 June each year represents outstanding contributions for the last quarter of the year unless paid by 30 June.

1.7 Leases

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 (ie 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.

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 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 to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary leases

When applicable, for leases that have significantly below-market terms and conditions principally to enable the Corporation to further its objectives (commonly known as peppercorn/concessionary leases), the Corporation measures the right-of-use assets at cost on initial recognition.

1.8 Borrowing costs

All borrowing costs are expensed as incurred.

Notes to the Financial Statements

for the year ended 30 June 2024

1.9 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution and prepayments. Cash is recognised at its nominal amount.

1.10 Financial risk management

The Corporation's activities expose it to normal commercial financial risk. As a result of the nature of the Corporation's business, dealing with the management of financial risk, the Corporation's exposure to market, credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

1.11 Investments other than subsidiaries

Investments are initially measured at cost.

After initial recognition, financial investments are measured at their fair values except for:

- loans and receivables, which are measured at amortised cost using the effective interest method;
- held-to-maturity investments, which are measured at amortised cost using the effective interest method.

1.12 Derecognition of financial assets and liabilities

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another entity. In the case of a transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged, cancelled or expires.

1.13 Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

Financial assets held at amortised cost

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

Financial assets held at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because it cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.14 Interest-bearing loans and borrowings

Interest is expensed as it accrues.

1.15 Supplier and other payables

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.16 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Contingent assets are reported when settlement is probable, while contingent liabilities are recognised when settlement is greater than remote.

1.17 Acquisition of assets

Assets are recorded at cost on acquisition. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs, where appropriate.

Notes to the Financial Statements

for the year ended 30 June 2024

1.18 Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items that are significant in total).

Revaluations

Following initial recognition at cost, property plant and equipment are carried at fair value (if revalued), less accumulated depreciation and accumulated impairment losses. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. The last land and building revaluation was done in June 2008.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve, except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through surplus and deficit. Revaluation decrements for a class of assets are recognised directly through surplus and deficit, except to the extent that they reverse a previous revaluation increment for that class.

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

Depreciation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are varied based on useful lives, usage, location and other environmental factors.

Depreciation is calculated on a mixture of straight-line and diminishin value 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:

Land and Buildings	2.5% - 25%
Plant, equipment and motor vehicles	10% - 25%

Impairment

All assets were assessed for impairment at 30 June 2024. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Corporation were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.19 Intangibles

The Corporation does not have any intangible assets.

1.20 Inventories

Inventory held is minimal and therefore expensed as incurred.

Notes to the Financial Statements

for the year ended 30 June 2024

1.21 Taxation

The Corporation is a Public Benevolent Institution and is endorsed by the Australian Taxation Office to access the following taxation concessions:

- GST Concession
- FBT Exemption
- Income Tax Exemption

There were no significant changes to the operations of the Corporation during the year and so there is no reason to believe that the exemptions will not continue to apply.

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

1.22 Going concern

These accounts have been prepared on a going-concern basis.

1.23 Economic dependence

The ability of the Corporation to continue as a going concern is dependent upon continued support from various Government funding bodies. At the date of this report the Directors have no reason to believe that Governments will not continue to fund the operations of the Corporation.

1.24 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 Corporation assesses impairment at the end of each reporting period by evaluating conditions specific to the Corporation 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 - 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 Corporation 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 Corporation assesses the impairment of non-financial assets at each reporting date by evaluating conditions specific to the Corporation 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.

Key judgments - Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Corporation estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2: Events after the balance sheet date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Corporation's Board of Directors, to affect significantly the operations of the Corporation or the state of affairs of the Corporation in future years.

Note 3: Income

	2024	2023
Note 3A: Revenue from Government and other grants	\$	\$
Grants and other payments for outputs	23,894,651	20,819,866
Total revenue from Government	<u>23,894,651</u>	<u>20,819,866</u>

Note 3B: Sale of goods and rendering of services

Rental income	25,894	34,575
Practice incentive program	547,450	812,090
Medicare	3,224,743	2,455,770
Rendering of services and sales of goods- external entities	847,803	583,722
Total sale of goods and rendering of services	<u>4,645,890</u>	<u>3,886,157</u>

Gains

Note 3A: Sale of assets

Infrastructure, plant and equipment		
Gain on disposal of property plant and equipment	-	1,616
Net gain from sale of assets	<u>-</u>	<u>1,616</u>

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4: Expenses

	2024	2023
	\$	\$
Note 4A: Employee benefits		
Wages and salaries	13,167,928	12,358,761
Superannuation	1,320,325	1,209,963
Wage oncosts	306,745	347,081
Total employee benefits	14,794,998	13,915,805
Note 4B: Other expenses		
Building Repair	472,033	419,837
Communications	210,639	246,817
Consultants	2,252,247	1,691,428
Educational Material	200,764	10,005
Insurance	276,984	245,104
Marketing expenses	449,012	933,423
Medical supplies	310,290	319,543
Motor vehicle expenses	461,922	481,195
Patient expenses	428,736	325,305
Rental expense	640,270	696,001
Security	199,401	163,462
Software	653,476	468,279
Staff training and development expenses	268,802	200,102
Sundry expenses	761,930	609,643
Travel and accommodation	767,813	913,696
Utilities expense	267,636	222,254
Total supplier expenses	8,621,955	7,946,094
Note 4C: Depreciation and amortisation		
Depreciation:		
Vehicles, plant and equipment	666,918	585,291
Right of use assets- vehicles, plant and equipment	160,664	-
Total depreciation	827,582	585,291
Note 4D: Interest expense		
Interest on leased assets	38,713	-
Total interest	38,713	-

Notes to the Financial Statements

for the year ended 30 June 2024

Note 5: Cash and cash equivalents

	2024	2023
	\$	\$
Cash on deposit	13,326,462	10,450,802
Cash on hand	200	200
Total cash and cash equivalents	<u>13,326,662</u>	<u>10,451,002</u>

Of which restricted cash and cash equivalents:

Unexpended grants and grant advances	4,177,650	4,153,149
Held in trust for Carnarvon Medical Service Aboriginal Corporation	373,450	373,450
	<u>4,551,100</u>	<u>4,526,599</u>

Above cash at bank is a restricted asset in that amounts representing unexpended grants and grant advances may only be applied for the purposes specified in the grant conditions. In addition cash is held in trust for the Carnarvon Medical Service Aboriginal Corporation.

Note 6: Trade and other receivables

Trade receivables due from external parties	1,171,975	521,060
Other receivables	1,467	7,421
Total trade and other receivables	<u>1,173,442</u>	<u>528,481</u>

The average credit period on sales of goods and services is 45 days.
All trade and other receivables are current assets.

Note 7: Other assets

Prepayments	156,329	193,739
Housing Bonds	48,597	40,242
Contract Assets	73,383	1,078,354
Total other assets	<u>278,309</u>	<u>1,312,335</u>

Other assets are all current assets.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 8: Property, plant and equipment

	2024	2023
	\$	\$
Carrying amounts		
Land & buildings		
- gross carrying value	10,828,930	10,768,335
- accumulated depreciation	<u>(3,297,607)</u>	<u>(2,948,718)</u>
Total land & buildings	<u>7,531,323</u>	<u>7,819,617</u>
Plant, equipment and motor vehicles		
- gross carrying value	3,871,652	3,756,923
- accumulated depreciation	<u>(3,026,953)</u>	<u>(2,737,449)</u>
Total plant, equipment and motor vehicles	<u>844,699</u>	<u>1,019,474</u>
Total property plant and equipment	<u>8,376,022</u>	<u>8,839,091</u>

The last revaluation of land and buildings was done in June 2008. The property at 60 Rifle Range Road Rangeway the title is a reserve vested under statute with the primary interest holder being GRAMS. This title has a management order stipulating the use of the land is restricted to a health and medical centre only. The properties at 50,52,54 and 56 Atwood Street Mount Magnet are subject to a caveat being an equitable charge by the Department of Health and Aging- the titles are subject to a purposes deed. The property at 4 Eddington Court Rangeway is subject to a caveat of equitable charge- the title is subject to a purposes agreement.

No assets have been pledged as security.

Movements in carrying amount

	Land & buildings	Plant, equipment and motor vehicles	Total
	\$	\$	\$
As at 1 July 2023			
Gross book value	10,768,335	3,756,923	14,525,258
Accumulated depreciation/amortisation and impairment	<u>(2,948,718)</u>	<u>(2,737,449)</u>	<u>(5,686,167)</u>
Net book value 1 July 2023	<u>7,819,617</u>	<u>1,019,474</u>	<u>8,839,091</u>
Additions:			
by purchase	60,596	114,728	175,324
Depreciation/amortisation expense	<u>(348,890)</u>	<u>(289,503)</u>	<u>(638,393)</u>
Disposals	-	-	-
Net book value 30 June 2024	<u>7,531,323</u>	<u>844,699</u>	<u>8,376,022</u>
Net book value as of 30 June 2024 represented by:			
Gross book value	10,828,930	3,871,652	14,700,582
impairment	<u>(3,297,607)</u>	<u>(3,026,953)</u>	<u>(6,324,560)</u>
	<u>7,531,323</u>	<u>844,699</u>	<u>8,376,022</u>

Notes to the Financial Statements

for the year ended 30 June 2024

Note 9: Right of use assets

	2024	2023
	\$	\$
Net carrying amounts		
Leased Vehicles	37,860	-
Leased Buildings	517,052	-
Leased Office Equipment	142,624	-
Total right of use assets	697,536	-

Movements during the period

	Leased Vehicles	Leased Buildings	Leased Office Equipment	Total
	\$	\$	\$	\$
As at 1 July 2023	-	-	-	-
Additions	45,666	669,910	171,149	886,725
Depreciation	(7,806)	(152,858)	(28,525)	(189,189)
Net book value 30 June 2024	37,860	517,052	142,624	697,536

Depreciation of right of use assets is recognised on a straight line basis over the relevant lease period as it applies to each leased asset.

Concessionary lease

The Corporation has a concessionary lease over the premises at 32 Swan Drive, Sunset, Western Australia. The lease commenced 1 March 2012 for a period of ten years with no further terms. One peppercorn is payable annually for the lease. The lease covers the buildings and all the land on the title. The right of use asset created by this lease is measured not recorded in these financial statements being that the lease amount is nominal. The lease expired 28 February 2022, however attached to the lease lodged is an acknowledgement by statutory declaration stating that an option of ten further years exists. While this is not documented on the form L1C- Lease of Crown Land, GRAMS have assumed that the extension option has been accepted. GRAMS will clarify this position.

Note 10: Trade and other payables

Trade and other creditors	1,251,611	704,563
ATO payable	572,717	262,779
Total supplier payables	1,824,328	967,342

Settlement is usually made net 30 days. All supplier payables are current liabilities.

Note 11: Borrowings

Credit card- unsecured	1,948	(940)
Total borrowings	1,948	(940)

Note 12: Other liabilities

Money held in trust*	373,450	373,450
Contract liabilities	742,436	4,153,149
Total other liabilities	1,115,886	4,526,599

Other liabilities are current liabilities

* Money is held in trust for Carnarvon Medical Service Aboriginal Corporation until pending a decision as to the future of the Corporation.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 13: Lease liabilities

	2024	2023
	\$	\$
Lease liabilities	712,402	-
Total operating lease liabilities	712,402	-
Operating lease liabilities are represented by:		
Current	268,466	-
Non-current	443,936	-
Total lease liabilities	712,402	-

Note 14: Employee provisions

<i>Current</i>		
Annual leave	818,259	776,559
Long service leave	178,676	191,744
Total employee provisions	996,935	968,303
<i>Non-current</i>		
Long service leave	382,847	331,198
Total employee provisions	382,847	331,198

Annual leave is usually settled within twelve months. The full amount of annual leave is classified as a current liability.

Note 15: Unspent Grants Reserve

Opening balance	-	-
Reserve created	3,435,214	-
Reserve used	-	-
Closing balance	3,435,214	-

The unspent grants reserve represent funding received from grantors where the funding received had not yet been spent on the required objectives before year end. Management have set the funding aside to spend on the grant objectives after year end and a corresponding amount has been allocated to restricted cash and cash equivalents, in addition to funds not yet spent on specific performance objectives.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 16: Cash flow reconciliation

Reconciliation of cash and cash equivalents as per statement of financial position to statement of cash flows

	2024	2023
	\$	\$
Report cash and cash equivalents as per:		
Statement of cash flows	13,326,662	10,451,002
Statement of financial position	13,326,662	10,451,002
Difference	<u>-</u>	<u>-</u>

Statement of financial position items comprising above cash:

13,326,662	10,451,002
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Reconciliation of operating result to net cash from operating activities:

Operating result (total comprehensive income)	4,479,218	2,310,496
Depreciation / amortisation	827,582	585,291
Bad debts	-	1,800
(Profit) / Loss on disposal of assets	-	(1,616)
(Increase) / decrease in net receivables	(644,961)	449,488
(Increase) / decrease in other current assets	1,034,026	(646,373)
Increase / (decrease) in employee provisions	80,281	(90,680)
Increase / (decrease) in supplier payables	856,986	(1,021,912)
Increase / (decrease) in other payables	(3,407,825)	1,502,949
<i>Net cash from / (used by) operating activities</i>	<u>3,225,307</u>	<u>3,089,443</u>

Notes to the Financial Statements

for the year ended 30 June 2024

Note 17: Remuneration of key management personnel

	2024	2023
	\$	\$
The totals of remuneration paid to the key management personnel of the Corporation during the year are as follows:		
Aggregate key management personnel compensation	<u>1,436,215</u>	<u>990,427</u>

The key management personnel of the Corporation during the year was determined to be the Directors, Chief Executive Officer ("CEO"), Acting CEO, the Chief Financial Officer, the Senior Medical Officer, Clinical Services Director, Programs Manager, Corporate Services Manager and Business Services and Programs Director. The 2023 figures have been restated to include all key management personnel. It previously only included the CEO.

Note 18: Related-party disclosures

a) The Corporation's key management personnel are as follows:

For service remuneration paid to key management personnel - refer to Note 17.
No loans were made to key management personnel during the 2024 financial year.

b) Transactions with key management personnel

There were no significant transactions with related parties during the period, other than as follows:
Travel allowance payments, travel costs and other reimbursements to Directors and Key Management Personnel:

	2024	2023
	\$	\$
Arthur Davies (chairperson)	45,353	62,181
Peggy Mallard	10,407	8,849
Carissa Bellotti	12,962	11,931
Rachel Mallard	10,868	47,357
Justin Mallard	7,232	7,025
Luana McGregor	4,705	4,523
Megan Roberts	8,412	4,856
Erica Ryan	5,985	9,871

Travel allowance payments exceeded the Australian Taxation Office limits for tax free allowances and are therefore regarded as taxable benefits instead of reimbursements of expenses to the extent it exceeded the limits. The above payments represent the total travel allowances and reimbursements.

Additionally the Corporation provides a vehicle to the chairperson, Mr Arthur Davies. The value of this benefit is unable to be determined. The access to a vehicle covered the years ended 30 June 2023 and 2024.

Note 19: Remuneration of auditor

Audit services

Remuneration to the auditors for auditing the financial statements for the reporting period	35,000	26,775
Grant acquittals	2,500	-
Other services		
Assist with compilation of annual financial report	5,000	10,000
	<u>42,500</u>	<u>36,775</u>

Note 20: Contingent Liabilities

The Corporation did not have any contingent liabilities as at 30 June 2024 or 30 June 2023.

Note 21: Events After the End of the Reporting Period

The financial report was authorised for issue on 13 November 2024 by the Board of Directors.

Independent Auditor's Report

To the Members of Geraldton Regional Aboriginal Health Service Inc.

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Geraldton Regional Aboriginal Health Service Inc. ("the Entity"), which comprises the statement of financial position as at 30 June 2024, 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, except for the effects of the matter described in the *Basis of Qualified Opinion* section of our report, the accompanying financial report of Geraldton Regional Aboriginal Health Service Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* and associated regulations.

Basis for Qualified Opinion

We were not given access to the prior year auditor's workpapers, therefore we have not obtained sufficient appropriate audit evidence in relation to the Entity to enable us to gather all information and explanations we require in order to form an opinion on the 30 June 2023 financial report. Accordingly, we were unable to determine whether adjustments might have been necessary in respect to opening balances and therefore as the opening balances enter into the determination of the results of operations for the year ended 30 June 2024, we have been unable to determine whether any adjustments to the results of operations and retained earnings for the year ended 30 June 2024 might be necessary.

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

Responsibilities of the Directors for the Financial Report

The directors of the entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Not-for-profits Commission Act 2012* 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 Entity 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 Entity 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 Entity'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 Entity'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 Entity 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.

Report on Other Legal and Regulatory Requirements

In our opinion, Geraldton Regional Aboriginal Health Service Inc. has complied with 60-30(3)(b), (c) and (d) of the *ACNC Act*:

- by providing us with all information, explanation and assistance necessary for the conduct of the audit;
 - by keeping financial records sufficient to enable a financial report to be prepared and audited; and
- by keeping other records required by Part 3-2 of the Act, including those records required by Section 50-5 that correctly record its operations, so as to enable any recognised assessment activity to be carried out in relation to the entity.

Criterion Audit Pty Ltd

CRITERION AUDIT PTY LTD

ELIZABETH LOUWRENS

ELIZABETH LOUWRENS CA
Director

DATED at PERTH this 26th day of November 2024