

2015-2016

# ANNUAL Report

Carbal Aboriginal and  
Torres Strait Islander Health  
Services Limited

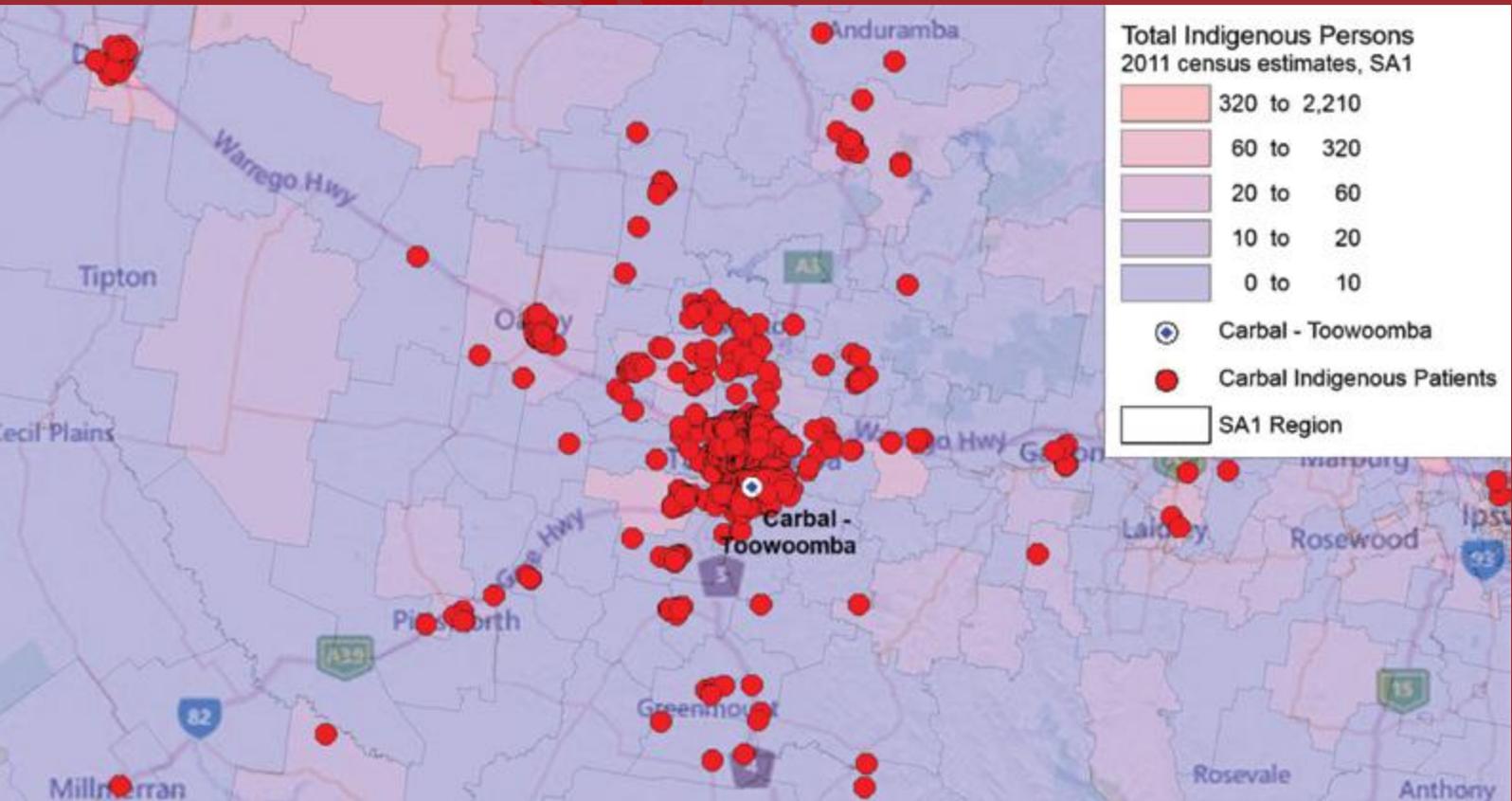
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Trading as - Carbal Medical Services

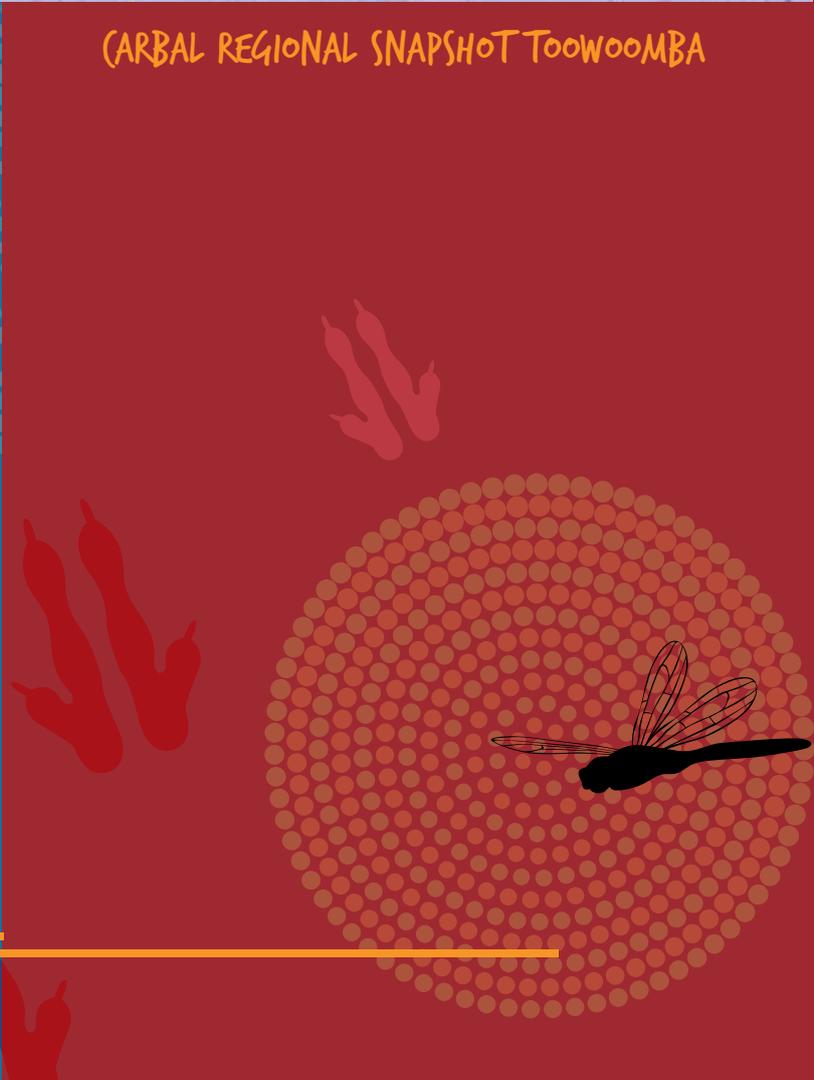
ABN: 50 275 271 535



**Carbal  
Medical  
Services**



## CARBAL REGIONAL SNAPSHOT TOOWOOMBA



# CARBAL MEDICAL SERVICES ANNUAL REPORT



1. Chair's Report
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8. Audited Financial Statements  
as at June 30, 2016

**Carbal Aboriginal and  
Torres Strait Islander  
Health Services Limited**

**ABN: 50 275 271 535**

**PO Box 1879**

**Toowoomba QLD 4350**

**Ph: 07 4688 0500**

**Version 2 November 2016**





## FROM THE CHAIR: DR MAREE TOOMBS

Over the past year, Carbal has continued to consolidate on the steps taken in the last financial year to ensure that we have a stable, viable business model going forward. The board, THE CEO and our staff have worked closely to continue our commitment to providing world-class, exceptional health care to the communities of Toowoomba, Warwick and the Southern Downs region.

I am extremely pleased to be able to report that during the year, we have completed the process required to migrate the Association to a Company Limited by Guarantee, adopted a new Constitution, completed and published the 2016-2018 Strategic Plan, finalised and maintained our ISO9001 accreditation and been recognised for our many organisational improvements through the award of 'Final Three' in the Not-for-profit division of the Toowoomba Chamber of Commerce Business Excellence Awards.

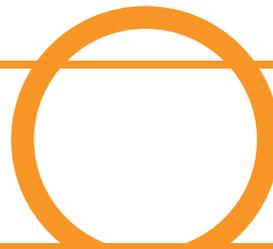
I would like to extend my thanks and appreciation to each of the former members of our Association, Downs Shared Care Inc. for their support and encouragement during the arduous process of becoming Carbal Aboriginal and Torres Strait Islander Health Services Limited. It is your commitment to the provision of a viable Aboriginal Medical Service that has paved the way for the many successes that Carbal has achieved as an Association, and the further successes that I know we will achieve as a company.

As you will see from the Treasurers Report, Carbal has grown markedly over the past financial year and this has allowed us to contribute significantly to the funding requirements of community health initiatives. Our operations have diversified and Carbal has further contributed to the health and well-being needs of our communities through involvement in a wide range of programs, initiatives and support services. Carbal has grown the services at our GP clinics in Toowoomba and Warwick and commenced a new clinic in Stanthorpe – a partnership that we have secured with the Darling Downs Health and Hospital Service to provide culturally appropriate access to services within the grounds of the Stanthorpe hospital. We continue to explore the many opportunities to create partnerships with other health services providers in our region. At the time of writing, we are engaged in a comprehensive, community consultation process to assess whether it would be beneficial for Carbal to establish a GP practice in Goondiwindi.

Apart from our clinics, Carbal is now delivering fourteen different programs on behalf of Commonwealth and State government instrumentalities. We have expanded our customised delivery sites to five, with the addition of the PHaMS and Allied Health Services Centre in South Street, Toowoomba. This initiative will allow Carbal to better support our mob during and after the transition phase from general support services to the new National Disability Insurance Scheme. We have continued our strong relationships with The University of Queensland, Queensland University of Technology and The Australian Catholic University, Melbourne to participate in the collection of data that is used to ensure that the areas of need in Aboriginal Health are correctly prioritised. The data provided by these programs is essential in making the case for correctly targeted Indigenous Health funding and Carbal contributes significant resources to ensuring the success of this research. Carbal has constructed a traditional Yarning Circle and 'quiet space' at the new South Street facility to assist with community engagement, elder support and cultural acknowledgement. This is the only facility of its kind in our region.

As the Chair of the Board, it gives me great pleasure to report that Carbal is now delivering services to almost 6000 clients across our service region and this number continues to expand. More than two-thirds of our staff now identify as Aboriginal and/or Torres Strait Islanders and we have established a staff and Directors mentoring program that will provide the basis for efficient and seamless succession transition when required. I thank my fellow Board members for the time they give so generously to being part of 'all things Carbal', their comradery, contributions and advice are very much valued.

Finally, on behalf of our Board, I would like to sincerely thank the CEO and our staff for the excellent work that has occurred over the past twelve months and I look forward to being able to report even greater achievements in the coming years. I would also like to thank all those members of our community who have contributed in any way, either as a client or just simply by spreading the word that Carbal is here to provide the best service possible to those we need to assist. Thank you for your support, your commitment and your encouragement.



## FROM THE CEO: BRIAN HEWITT

Upon my commencement in January 2015, the Board of Management tasked me to assess the legal, financial and operational structures in place at Carbal and ensure that they be made sound and sustainable into the future and that we remain fully accountable to our service community and to the relevant funding bodies for the programs that we deliver.

With the transition from Association to a Company Limited by Guarantee completed in May this year and the gaining and maintenance of full ISO9001 accreditation in 2015 and 2016, I believe that Carbal Medical Services is now on the bright side of a re-vitalisation process that will ensure the future sustainability of this vital Aboriginal community health service. I would like to thank those clients and members who have contributed their time and expertise to assist with finalisation of the resolutions and processes required to migrate Carbal from an Association to Company status. I commend the current Carbal Chair, Board of Directors and the Association Members who have supported this long change process, for their vision and commitment to ensuring that Carbal remains at the forefront of providing appropriate and culturally sensitive health services for the Aboriginal and Torres Strait Islander communities of our region.

Given the enormous growth that has occurred at Carbal, particularly over the past year, the status of Company will provide far greater support and protections to all involved with the delivery of our health services. The name, 'Carbal Aboriginal and Torres Strait Islander Health Services Limited' and the new constitution have now been registered. Carbal will continue to trade as Carbal Medical Services. At a special meeting of the members, it was agreed that the current Board of Management will continue in office and become the initial Directors of the new Company Board. The process for appointing Company Director vacancies and additional Company Members is outlined further in this Annual Report.

As part of the rejuvenation process, the new 2016 – 2018 Strategic Plan, the Action Plan and the Carbal Quality Control Manual have been reviewed and re-written in recent months. These documents are important in that they provide a clear direction for determining activity within the Carbal charter of operations and also clear guidelines for reviewing and maintaining acceptable processes for remaining compliant and accountable across the many areas that apply to the delivery of health services.

Our Chair has briefly outlined the scope of current Carbal activities in her report. The Carbal Board of Directors are steadfastly supportive and committed to broadening the charter of operations to include support for activities and programs that may fall outside of specific funding guidelines but which have been identified as areas of need in relation to the provision of health services for our indigenous communities. In this regard, Carbal supports the Murri Court initiative by providing health and well-being support services directly within the court initiated program. Carbal is a partner with Mercy Services in the delivery of the new Child and Family Connect strategy, assists and supports local activities during NAIDOC week, conducts an extensive Elders and Strong Fathers support program in both Toowoomba and Warwick which is also assisting further UQ research into the support required for Elders within our community and commits significant resources to programs including the Whaddup youth support program.

Our success in maintaining significant self-generated funds has allowed Carbal to 'walk the talk' when it comes to providing programs and services that have real outcomes when measured against the need to provide culturally-sensitive health services to the Indigenous communities of the Darling Downs and South-West and Carbal will continue to identify gaps and attempt to address these gaps in a practical and sustainable way.

I would like to sincerely thank the staff of Carbal and particularly the Senior Management team who have been 'rock solid' in facing and addressing the many challenges to taking the organisation forward during my term as CEO. I have been most fortunate to have the assistance of such a diverse range of expertise and experience within the staff who are employed at Carbal. I must also extend my appreciation to the many community members who have been so generous in their support and with their comments over the eighteen months – the future for Carbal is very bright and this can only be of great benefit to the Indigenous communities that we serve.

**Brian Hewitt**  
**M.Ed., B.Ed., Dip Ed., JP Qual**  
**CEO CARBAL MEDICAL SERVICES**



# DIRECTORS . . . .



**DR MAREE TOOMBS ((HAIR))** is a Kamilario/ Kooma woman for North Western N.S.W. Dr Toombs has lived in Toowoomba for the past 21 years, she is married with two children.

Dr Toombs is passionate about improving the social and emotional wellbeing of Aboriginal peoples in the community. Dr Toombs is a Senior Research Fellow with the University of Queensland, Adjunct Professor, School of Medicine, Dalhousie University, Halifax, Nova Scotia, Adjunct Associate Professor, Queensland University of Technology and Associate Professor Menzies School of Health Research.

Dr Toombs is recognised nationally and internationally for her work in Indigenous health perspectives in medicine and her research efforts devoted to improving mental health and wellbeing for Indigenous Australians, in particular managing chronic physical illness and mental health in a holistic way and building resilience.

Dr Toombs has been awarded a 2011 Churchill Fellowship, An NHMRC Early Career Fellowship (2012) and is Lead Chief Investigator on a 2014 NHMRC Project Grant titled; Validation and Implementation of Structured Clinical Interview for Diagnostic and Statistical Manual of Mental Disorders (SCID-I) tool to diagnose mental disorders in Indigenous Australians.



**JUDITH STANDEN (TREASURER)** is a Gunditjmara woman from Victoria and has resided in Toowoomba for the past 35 years and is now a Toowoomba Elder. She studied her Applied Psychology Degree at the University of Southern Queensland. Her experiences have been within the education system and not-for-profit organizations where she has worked on a professional and voluntary basis for the last 30 years.

Her commitment to her people and the regional community in which she lives has ensured that her ongoing dedication to various committees and organisations over the years is to support the development, enhancement and empowerment of current and future Aboriginal and Torres Strait Islander generations.



**(R. BILL AHILL (DEPUTY (HAIR)))** has a successful technical and corporate management background and brings a breadth of experience to his elected position. He is in his second term as a councillor with the Toowoomba Regional Council following a 4 year term as a councillor with the former Crow's Nest Shire Council - representing Highfields.

Bill's boardroom passion is based on a commitment to continuous improvement, ethical decision making and to pursuing the best possible outcomes for people, the community, growth and the future of the TRC region. From the Cunnamulla mob, Bill is committed to assisting indigenous communities wherever possible.





**RON HAMPTON (DIRECTOR)** is a long-time educator with a Master in Education from the University of Southern Queensland. He was born in Perth. His maternal grandmother was from Narrindjeri country in South Australia, and his grandfather from Karachi.

Ron started teaching in primary schools in the mid 60's. He was involved in manufacturing industries, before moving to Queensland in 1989 where he met his wife, Helen. From 1992, Ron worked with the Aboriginal and Torres Strait Islander units at the University of Queensland and the Queensland University of Technology, and taught at the Gold Coast Institute of TAFE.

In 2002, Ron and Helen moved to Toowoomba and he started at Kumbari Ngurpai Lag at the University of Southern Queensland (USQ), and later joined the Mental Health Review Tribunal. In 2010 he joined the University of Queensland's Rural Clinical School. He is passionate about improving educational opportunities and mental health outcomes for Indigenous people.

Ron is recognised as an Elder in the Toowoomba Indigenous community, and is a past chairperson of Carbal Medical Centre and past Vice President of Kulila Indigenous Kindergarten. His ongoing commitments include: community member of Queensland's Mental Health Review Tribunal; Director of Lifeline Darling Downs & South West Queensland; and cultural educator and mentor. Together with his wife Helen, Ron is a Pyjama Angel working with and mentoring children on foster care under The Pyjama Foundation.



**PERRY MILLER (DIRECTOR)** is a proud indigenous member of the North Queensland mob and has spent his working career assisting Aboriginal and Torres Strait Islander communities to access better health and well-being outcomes. He currently works at Mercy Community Services Toowoomba within the Family and Child Connect program.



# THE 'HEALTH AND WELL-BEING GAP'

Each year as part of the 'CLOSING THE GAP' initiative there is an acknowledgement by all levels of government that improving the opportunities and health outcomes for Aboriginal and Torres Strait Islander people should be a national priority.

The Closing the Gap initiative builds on a foundation of respect and unity to deliver outcomes that are a normal expectation for non-indigenous Australians. The poorer health of Australia's Aboriginal and Torres Strait Islander peoples when compared to the non-Indigenous population is no secret - and something can be done about it.

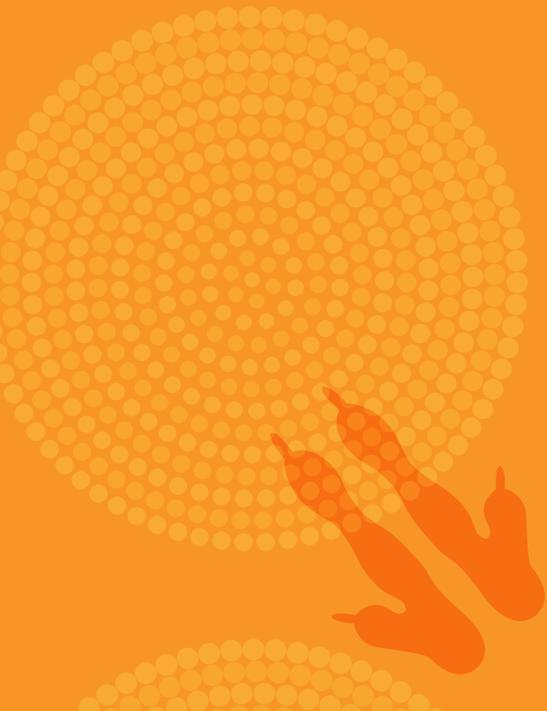
**Something can be done** about the fact that every day in this country, an indigenous person dies of a chronic disease having never seen a doctor during the time when that disease may have been addressed or even prevented.... most of whom live in cities where there *is* access to medical services and not just in remote areas where access is limited and difficult.

95 % of all Aboriginal people are unable to access private medical services of any kind at any time.....

**Something can be done** about the fact that the Aboriginal, infant mortality rate compared to other Australians is 3 times higher..... the Closing the Gap initiative aims to reduce this statistic significantly by 2018.

**Something can be done** about the fact that average life expectancy for Aboriginal people compared to other Australians is a staggering 11 years less.....in fact two thirds of all Aboriginal men and women die before reaching age 65.....

**Something can be done** about the 30% of all Aboriginal people who suffer from diabetes..... diabetes is completely preventable, it is mostly caused by economic and social factors.....over one quarter of all Aboriginal people die from a circulatory disease.....



# CLOSING THE GAP

**Something can be done about the 60% higher chance that Aboriginal people will die from all types of cancer compared to other Australians.**

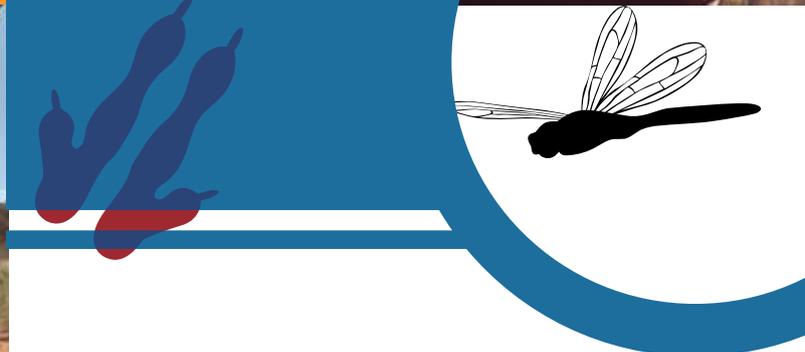
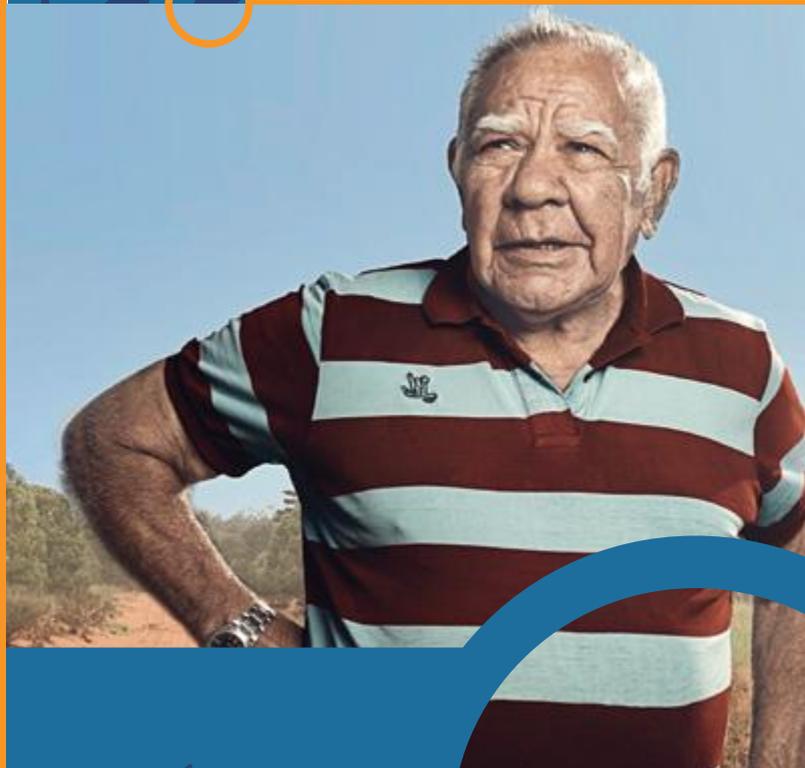
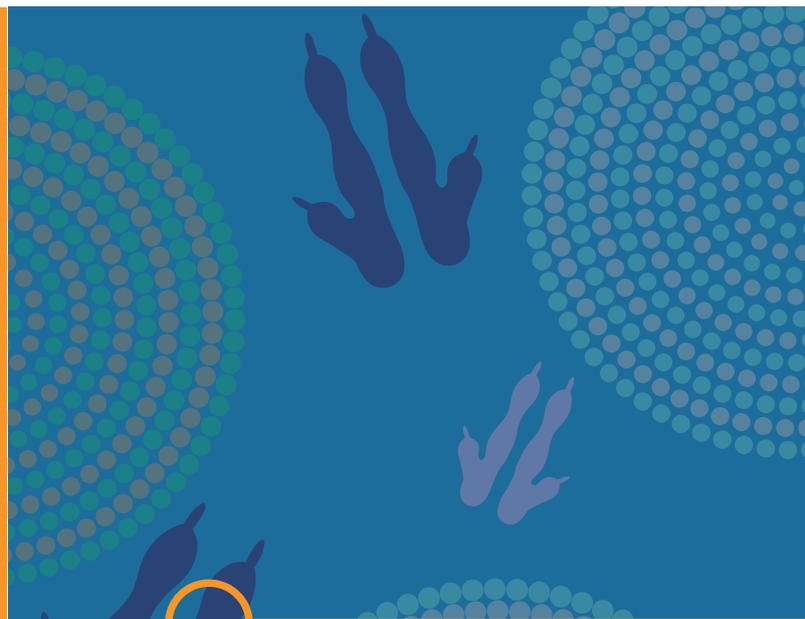
**Something can be done about lowering the 12 times greater risk of developing heart disease if you are indigenous compared to being non-indigenous.**

**Something can be done to reduce the 10 times greater risk of contracting ear diseases and hearing loss, trachoma and other eye diseases if you are indigenous..... the 15 times greater risk of suffering from chronic kidney disease.....**

**Something can be done to achieve health and life expectation equality for Australia's Aboriginal and Torres Strait Islander peoples.... Aboriginal Medical Services like Carbal exist so that in partnership with Commonwealth and State governments we can deliver the necessary services to do that something.**

**By combining all our efforts we can make sure that by 2030 any Aboriginal or Torres Strait Islander child born in this country has the same opportunity as other Australian children to live a long, healthy and happy life.**

**Carbal welcomes the opportunity to raise wider community awareness of the importance of community health equality and reaffirms a our hope that all health providers will prioritise their work towards closing the health and life expectancy gap for Indigenous Australians by 2030.**





TO US, HEALTH IS ABOUT SO MUCH MORE THAN SIMPLY NOT BEING SICK. IT'S ABOUT GETTING A BALANCE BETWEEN PHYSICAL, MENTAL, EMOTIONAL, CULTURAL AND SPIRITUAL HEALTH. HEALTH AND HEALING ARE INTERWOVEN, WHICH MEANS THAT ONE CAN'T BE SEPARATED FROM THE OTHER.

Dr Tamara Mackean  
Flinders University South Australia

Waljen Woman of the Goldfields of  
Western Australia.



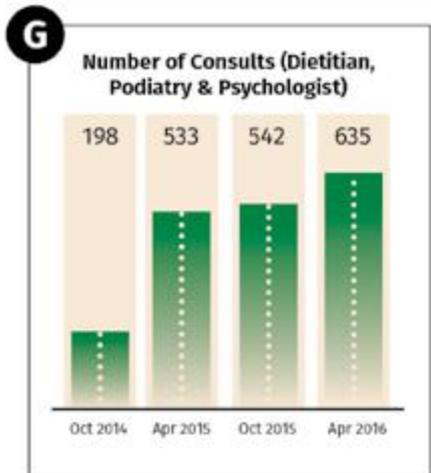
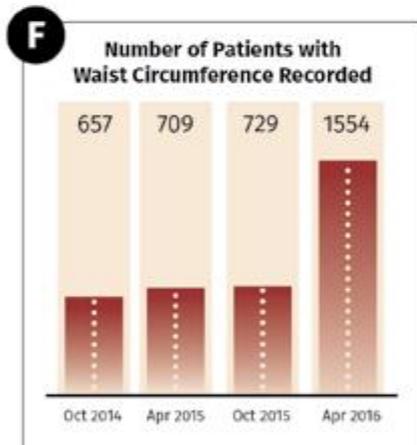
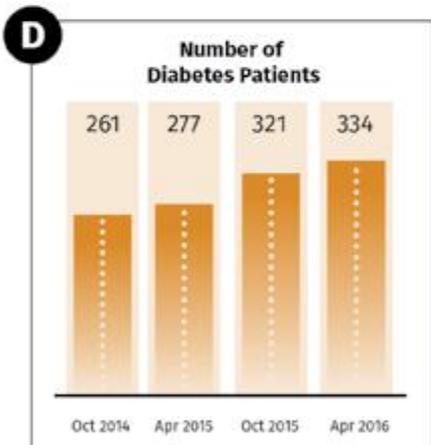
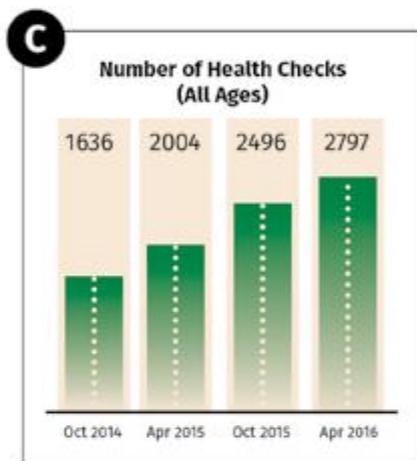
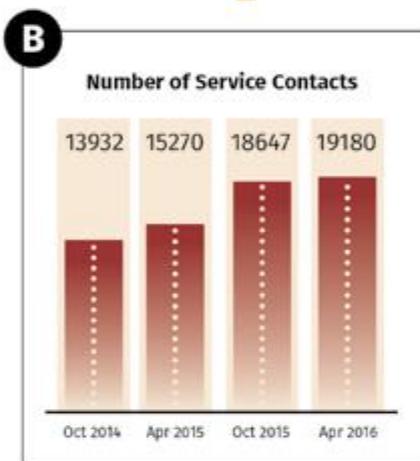
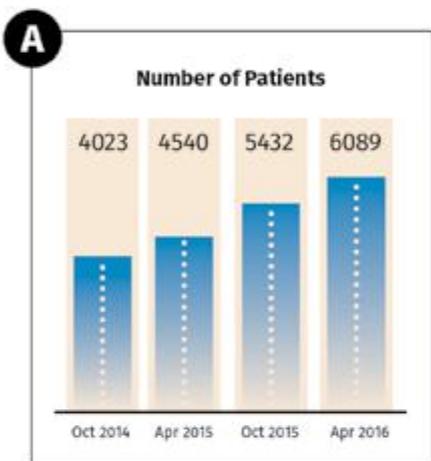


# Organisational Health Check

## Performance Highlights

Like everyone who has a regular health check, at Carbal Medical Services we are committed as an organisation to our own health checks to let you know how we have been going over the past two years.

### Achievements Snapshot .....



## Service Improvements

- Warwick clinic opened in January 2015
- Full time Doctor at Warwick from August 2015
- Increased allied health available for patients with dedicated clinic days
- Working towards 100% diabetes cycle of care completed for diabetic patients
- Chronic disease nurse at the clinic every day

### WELL DONE TEAM!



**Carbal Medical Services**

**Toowoomba Medical Centre**  
 104 Mary Street, Toowoomba. Phone. 4639 7300  
**Warwick Medical Centre**  
 55 Wood Street, Warwick. Phone. 4661 0800

# PROCESS FOR APPOINTING NEW BOARD DIRECTORS AND MEMBERS



**Under the new Carbal Aboriginal and Torres Strait Islander Health Services Limited constitution, there is no longer a limit on membership numbers.**

The new Board will accept applications for membership and Director vacancies at any time and these will be presented for discussion and ratification at the next available Board of Directors meeting following lodgement of the application. There are a number of criteria that need to be met upon application and these are outlined below in extracts from the new Company Constitution which is available electronically by emailing [bhewitt@carbal.com.au](mailto:bhewitt@carbal.com.au)

## Application forms for Board or Company

### Constitution (extract pertaining to Director suitability)

#### 17. Appointment and Retirement of Directors

17. 1. The Company must have at least five (5), but no more than seven (7) Directors at any one time.
17. 2. At least fifty per cent (50%) of the Directors must identify as an Aboriginal or Torres Strait Islander.
17. 3. The initial Directors are the people who have agreed to act as Directors and who are named as proposed Directors in the application for registration of the Company.
17. 4. Apart from the initial Directors and Directors appointed under clause 17.7, the Members may elect a Director by a resolution passed in a General Meeting.
17. 5. Each of the Directors must be appointed by a separate resolution, unless:
  - a. the Members present have first passed a resolution that the appointments may be voted on together, and
  - b. no votes were cast against that resolution.
17. 6. A person is eligible for election as a Director of the Company if they:
  - a. are a Member of the Company;
  - b. are nominated by two Members entitled to vote (unless the person was previously elected as a Director at a General Meeting and has been a Director since that meeting);
  - c. give the Company their signed consent to act as a Director of the Company, and
  - d. are not ineligible to be a Director under the Corporations Act or the ACNC Act.





- 17. 7.** The Directors may appoint a person as a Director to fill a casual vacancy if that person:
- a. is a Member of the Company;
  - b. gives the Company their signed consent to act as a Director of the Company, and
  - c. is not ineligible to be a Director under the Corporations Act or the ACNC Act.
- 17. 8.** If the number of Directors is reduced to fewer than five, the continuing Directors may act for the purpose of increasing the number of Directors to a minimum of five or calling a General Meeting, but for no other purpose.
- 17. 9.** The Directors must elect a Director as the Company's Elected Chairperson, who must identify as an Aboriginal or Torres Strait Islander.
- 17. 10.** At the first Annual General Meeting of the Company any Director appointed by the Directors to fill a casual vacancy must retire.
- 17. 11.** The Directors who must retire at the first Annual General Meeting under clause 17.10(b) will be the Directors who have been longest in office since last being elected, including the time which the Directors held office in the former incorporated association, Darling Downs Shared Care Incorporated.  
Where Directors were elected on the same day, the Director(s) to retire will be decided by majority vote of the other Directors unless they agree otherwise.
- 17. 12.** At each Annual General Meeting (except for the first Annual General Meeting) any Director appointed by the Directors to fill a casual vacancy must retire.
- 17. 13.** A Director who retires under clause 17.10 may nominate for election or re-election, subject to clauses 17.15 and 17.16.
- 17. 14.** Other than a Director appointed under clause 17.7, a Director's term of office starts at the end of the annual General Meeting at which they are elected and ends at the end of the annual General Meeting at which they retire.
- 17. 15.** A person becomes ineligible for nomination as a Director if they have served as a Director of the Company for six (6) consecutive years, unless at least two (2) years has passed since they last served as a Director of the Company.
- 17. 16.** A Director stops being a Director if they:
- a. give written notice of resignation as a Director to the Company;
  - b. die or become mentally incapacitated;
  - c. are removed as a Director by a resolution of the Members;
  - d. stop being a Member of the Company;
  - e. are absent for three Directors' meetings in a calendar year without approval from the Directors, or
  - f. become ineligible to be a Director of the Company under the Corporations Act or the ACNC Act.

# MEMBERSHIP



## Constitution (extract pertaining to member suitability)

### 10 Membership

- 10.1 The Members of the Company are:
  - a. the Initial Members, and
  - b. any other person that the Directors allow to be a Member, in accordance with this Constitution
- 10.2 Membership of the Company must be maintained at a minimum of seven (7) Members in total, comprised of:
  - a. Members who live, work or otherwise represent the operational region for Carbal activities. ('representation' to be determined by the Directors, in their sole discretion);
  - b. Members who formally identify as an Aboriginal or Torres Strait Islander (minimum 90% of total membership); and
  - c. Members who do not formally identify as an Aboriginal or Torres Strait Islander but have been accepted by the Directors as meeting the requirements of clause 10.5 (maximum of 10% of total membership).
- 10.3 A person who supports the purposes of the Company is eligible to apply to be a Member of the Company under this clause, provided:
  - a. they are not currently employed by the Company in any capacity; and
  - b. they do not have more than three immediate family members who are already Members of the Company. In this clause, 'immediate family member' includes children, spouses or de factos, siblings (including step-siblings), parents (including step-parents), grandparents (including step-grandparents), first cousins, aunts or uncles.
- 10.4 In this clause, 'person' means an individual.
- 10.5 A person may apply to become a Member of the Company by writing to the Secretary stating that they:
  - a. wish to become a Member;
  - b. support the purposes, operations and best interests of the Company, and
  - c. agree to comply with this Constitution, including paying the guarantee under clause 4 if required.
- 10.6 The Directors must consider an application for Membership within a reasonable time after the Secretary receives the application. The Directors may approve or reject any applicant in the Directors' sole discretion.
- 10.7 An applicant for Membership must provide in writing, any other information in addition to that contained in the application, as the Directors require.
- 10.8 If the Directors approve an application, the Secretary must as soon as possible:
  - a. enter the new Member on the register of Members, and
  - b. write to the applicant to advise that their application was approved, and the date that their Membership started.
- 10.9 If the Directors reject an application, the Secretary must write to the applicant as soon as possible to advise that their application has been rejected, stating reasons for the decision.
- 10.10 For the avoidance of doubt, the Directors may approve an application even if the application does not state the matters listed in clause 10.5. In that case, by applying to be a Member, the applicant agrees to those three matters.
- 10.11 Other than Initial Members, an applicant will become a Member when they are entered on the register of Members.
- 10.12 A person immediately stops being a Member if they:
  - a. die or are found to be of unsound mind;
  - b. commits an act of bankruptcy or if declared bankrupt;
  - c. resign or surrender their membership, by writing to the Secretary;
  - d. are expelled under clause 28; or
  - e. have not responded within three months to a written request from the Secretary that they confirm in writing that they want to remain a Member.
- 10.13 Membership of the Company is not transferable by operation of law or otherwise. All rights and privileges of Membership of the Company will cease immediately upon a person ceasing to be a Member for any reason.



## FROM THE TREASURER: MS JUDITH STANDEN

The attached audited financial statements for 2015-2016 reflect continued growth and excellent consolidation of Carbal resources and assets and this will provide an excellent platform for our new company to explore further opportunities for the provision of culturally sensitive health services to the communities of our service area. The positive change in the operational management of Carbal Medical Services has continued and we have again been successful in maintaining the ISO9001 accreditation. This accreditation is testament to the high-level operational practices and procedures that have been established at Carbal and is welcomed by our funding partners as a contributory factor to the establishment and maintenance of the ongoing confidence that they are entitled to feel. I would like to express my thanks, on behalf of the Board of Directors and the Members, to the Senior management and accounts team for their expertise and support in maintaining our financial position and accounts.

The audited financial statements for 2015-2016 are attached. We ended the trading year with a surplus of \$636 193 after depreciation which was an increase of \$441 669 on the previous financial period. Our revenue for the period increased by \$2 094 990 to \$7 233 650. This is an excellent result and there is further expected growth of almost \$700 000 projected in the current financial year budget. This growth is largely due to the program funding that we have been able to attract and reflects a sound level of confidence in Carbal Medical Services by the funding bodies. The following chart shows a breakdown of our income and it is most pleasing to report that one third of our income is now self-generated.

Much of our self-generated income is being used to 'value-add' to the various programs that we are funded to deliver and we have also funded a number of programs and activities that do not receive funding but that have been identified by Carbal as 'gaps' in the provision of health services to Aboriginal and Torres Strait

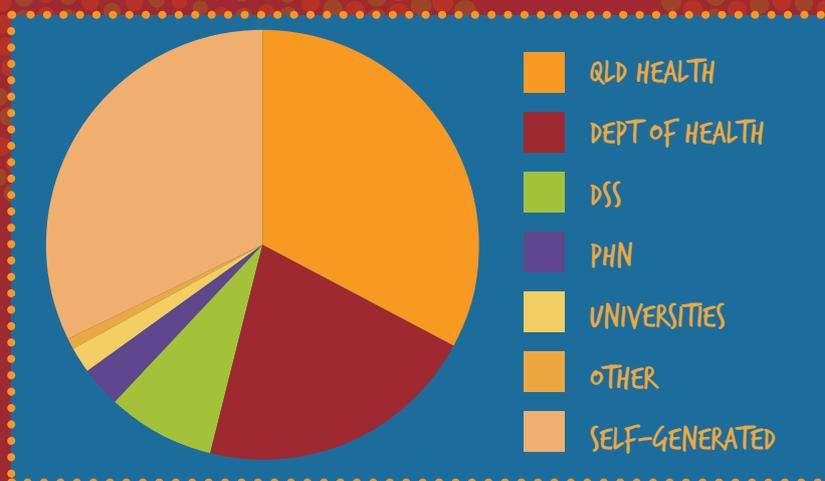
Islanders within our service region. Self-identified funding allocated to community health services provision in 2015-2016 was just short of \$400 000. The Board of Directors are extremely pleased that we have been able to expand our services within our charter due to the growth in our income and the professional management of our resources. Total assets, including cash term deposits and property, plant and equipment (equity) for the Company now stands at \$3 704 444 which reflects an increase of approximately \$636 132 on the previous period.

As one of the measures adopted by the 2016-2018 Strategic Plan, Carbal will be investigating the purchase of property to be used as a multi-purpose administration centre and program hub over the coming years – this will enable the Company to reduce the

outgoings currently attributed to leased premises and allow an even greater proportion of our funds to be allocated to community services. It gives me great pleasure to note that the 'cost' to funding bodies for Carbal service administration of externally funded programs has averaged less than 10 per cent across all programs in the last financial year and this compares extremely well

with a NFP industry average of 25%. Our staff numbers have risen to 63 and with 64% of all staff identifying as Aboriginal and/or Torres Strait Islanders, we have become one of the major employers of Indigenous workers in the region.

On behalf of the Board of Directors of Carbal Aboriginal and Torres Strait Islander Health Services Limited it gives me pleasure to commend the 2015-2016 audited financial statements and auditors report to you.



Judith Standen  
Treasurer

# FINANCIAL STATEMENTS.....

Carbal Aboriginal and Torres Strait Islander  
Health Services Ltd  
ABN 50 275 271 535  
Trading As Carbal Medical Services

## FINANCIAL STATEMENTS: YEAR ENDED 30 JUNE 2016...

CARBAL ABORIGINAL AND  
TORRES STRAIT ISLANDER  
HEALTH SERVICES LTD

ABN 50 275 271 535

TRADING AS CARBAL MEDICAL SERVICES

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## DIRECTORS' REPORT.....

Your directors present this report on the company for the financial year ended 30 June 2016.

### THE NAMES OF THE DIRECTORS IN OFFICE AT ANY TIME DURING OR SINCE THE END OF THE YEAR ARE:

Maree Toombs  
Wayne Cahill  
Judith Standen

Ronald Hampton  
Perry Miller

All Directors were appointed on 26 May 2016 when the company transitioned from an Incorporated Association.

### PRINCIPAL ACTIVITIES

The principal activities of the company during the course of the year were to provide a high quality, sustainable and comprehensive primary health care service with a balance of clinical and population health programs that are culturally safe, responsive to community needs, and integrated with other complementary service providers. Carbal makes a significant and growing contribution towards achieving equity in health outcomes for the Aboriginal and Torres Strait Islander peoples who fall under Carbal's service area.

### OPERATING RESULT

The profit of the company for the financial year amounted to:

#### AFTER BALANCE DATE EVENTS

#### YEAR ENDED

30 June 2016

636,163

#### YEAR ENDED

30 June 2015

194,494

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 subsequent financial years.

### FUTURE DEVELOPMENTS

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

### ENVIRONMENTAL ISSUES

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### INDEMNIFYING OFFICER OR AUDITOR

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the company.

## DIRECTORS' REPORT.....

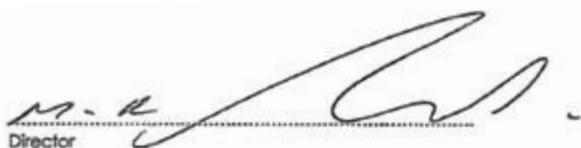
### PROCEEDINGS ON BEHALF OF COMPANY

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

### AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

Signed in accordance with a resolution of the directors:



Director



Director

Dated: 4 October 2016

DECLARATION .....

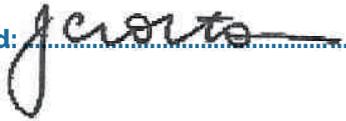
Carbal Aboriginal and Torres Strait Islander  
Health Services Ltd  
ABN 50 275 271 535  
Trading As Carbal Medical Services

## AUDITOR'S INDEPENDENCE DECLARATION.....

### AUDITOR'S INDEPENDENCE DECLARATION

As auditor for the audit of Carbal Aboriginal and Torres Strait Islander Health Services Ltd for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the independence requirements of the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Signed:  Signature

**Jason Croston**  
**FCA Registered Company Auditor**  
**Brisbane**  
**SRJ Walker Wayland**  
**Dated: 4 October 2016**

# STATEMENT OF COMPREHENSIVE INCOME...

## FOR THE YEAR ENDED 30 JUNE 2016...

	NOTE	2016	2015
Revenue	2	7,233,650	5,138,660
<b>Gross profit</b>		<b>7,233,650</b>	<b>5,138,660</b>
Employee expenses		(4,751,553)	(3,514,900)
Depreciation expense		(91,454)	(101,323)
Repairs and maintenance expenses		(34,945)	(6,806)
Other expenses		(1,373,162)	(1,160,946)
Motor vehicles expenses		(205,780)	(101,441)
Loss on sale of property, plant and equipment		-	(58,750)
Loss on disposal of obsolete stock		(140,593)	-
<b>Surplus for the year</b>		<b>636,163</b>	<b>194,494</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>636,163</b>	<b>194,494</b>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

# STATEMENT OF FINANCIAL POSITION.....

## FOR THE YEAR ENDED 30 JUNE 2016...

ASSETS	NOTE	2016	2015
<b>Current Assets</b>			
Cash and cash equivalents	3	2,418,608	1,895,804
Trade and other receivables	4	89,068	43,216
Inventory	5	-	140,593
Other	6	29,895	29,895
<b>Total Current Assets</b>		<b>2,537,571</b>	<b>2,109,507</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	1,617,033	1,443,648
<b>Total Non-Current Assets</b>		<b>1,617,033</b>	<b>1,443,648</b>
<b>TOTAL ASSETS</b>		<b>4,154,604</b>	<b>3,553,156</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	426,619	461,610
Provisions	9	3,477	6,158
<b>Total Current Liabilities</b>		<b>430,096</b>	<b>467,768</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	9	20,064	17,106
<b>Total Non-Current Liabilities</b>		<b>20,064</b>	<b>17,106</b>
<b>Total Liabilities</b>		<b>450,160</b>	<b>484,874</b>
<b>NET ASSETS</b>		<b>3,704,444</b>	<b>3,068,282</b>
<b>EQUITY</b>			
Retained profits		3,704,444	3,068,282
<b>Total Equity</b>		<b>3,704,444</b>	<b>3,068,282</b>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

# STATEMENT OF CASH FLOWS.....

## FOR THE YEAR ENDED 30 JUNE 2016...

	2016	2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers	7,135,414	5,159,708
Payments to suppliers and employees	(6,397,299)	(4,712,494)
Interest received	49,528	34,276
<b>Net cash provided by (used in) operating activities (note 10)</b>	<b>787,643</b>	<b>481,490</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(264,839)	(149,775)
Proceeds from sale of property	-	165,455
<b>Net cash provided by (used in) investing activities</b>	<b>(264,839)</b>	<b>15,680</b>
<b>Net increase (decrease) in cash held</b>	<b>522,804</b>	<b>497,170</b>
<b>Cash at the beginning of the year</b>	<b>1,895,804</b>	<b>1,398,634</b>
<b>Cash at the end of the year (note 3)</b>	<b>2,418,608</b>	<b>1,895,804</b>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

# STATEMENT OF CHANGES IN EQUITY .....

## FOR THE YEAR ENDED 30 JUNE 2016...

	MEMBER FUNDS	RETAINED EARNINGS	TOTAL
Balance at 1 July 2014	-	2,873,788	2,873,788
Surplus for the year	-	194,494	194,494
Balance at 30 June 2015	-	3,068,282	3,068,282
Surplus for the year	-	636,163	636,113
Rounding adjustment	-	(1)	(1)
Balance at 30 June 2016	-	3,704,444	3,704,444

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

# NOTES TO THE FINANCIAL STATEMENTS... ..

## FOR THE YEAR ENDED 30 JUNE 2016...

### NOTE 1:

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Carbal Aboriginal and Torres Strait Islander Health Services Ltd (formerly Darling Downs Shared Care Inc) as an individual entity. Darling Downs Shared Care Inc. incorporated as a company with the Australian Securities and Investment Commission on the 26 May 2016, with a subsequent name change to Carbal Aboriginal and Torres Strait Islander Health Services Ltd. Carbal Aboriginal and Torres Strait Islander Health Services Ltd is a company limited by guarantee in Queensland.

The financial report was authorised for issue by the directors of the committee on the same date as the director's report.

#### Basis of Preparation

The financial report is a special purpose financial report that has been prepared in accordance with recognition and measurement principles of the Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The amounts presented in the financial report have been rounded to the nearest dollar.

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

#### a. Inventories

Inventories held for distribution are measured at cost.

#### b. Fair Value of Assets and Liabilities

The association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the entity at the reporting date (i.e. the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of an identical or similar financial instrument, by reference to observable market information where identical or similar instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements

#### c. Property, Plant and Equipment

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

# NOTES TO THE FINANCIAL STATEMENTS ...

## FOR THE YEAR ENDED 30 JUNE 2016...

### i. Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in the statement of comprehensive income.

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

### ii. Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

### iii. Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to Carbal Aboriginal and Torres Strait Islander Health Services Ltd commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

**The depreciation rates used for each class of depreciable asset are:**

CLASS OF ASSET	DEPRECIATION RATE%
Buildings	2.5%
Medical Equipment	15%-30%
Health Promotion Equipment	12.5%-30%
Motor vehicles	12.5%
Office and Computer Equipment	11.25%-33%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income in the period in which they arise.

### d. Financial Instruments

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through statement of comprehensive income", in which case transaction costs are expensed to statement of comprehensive income immediately.

#### Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

# NOTES TO THE FINANCIAL STATEMENTS ...

## FOR THE YEAR ENDED 30 JUNE 2016...

Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in the statement of comprehensive income.

### Loans and receivables

- i. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in the statement of comprehensive income through the amortisation process and when the financial asset is derecognised.

### Financial Liabilities

- ii. Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in the statement of comprehensive income through the amortisation process and when the financial liability is derecognised.

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

### Derecognition

- iii. Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the statement of comprehensive income.

### e. Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in the statement of comprehensive income.

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

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

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

# NOTES TO THE FINANCIAL STATEMENTS...

## FOR THE YEAR ENDED 30 JUNE 2016...

### **f. Employee Entitlements**

#### **Short-term employee benefits**

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

The company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

#### **Other long-term employee benefits**

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to end-of-reporting-period market yields on corporate bonds that have maturity dates approximating the terms of the obligations. Any re-measurements of other long-term employee benefit obligations due to changes in assumptions are recognised in the statement of comprehensive income in the periods in which the changes occur.

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

### **g. Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short term deposits which can be readily liquidated at managements request. Term deposits with a maturity of more than 3 months have been classified as cash on the basis that management are satisfied that these are readily convertible to cash as required despite any interest penalties which the entity may incur.

### **h. Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from directors and funding bodies as well as amounts receivable from customers for services delivered in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

### **i. Revenue and Other Income**

Revenue is measured at the fair value of consideration received or receivable.

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

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

When grant revenue is received whereby the company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The company receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income and other comprehensive income.

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS... ..

## FOR THE YEAR ENDED 30 JUNE 2016...

### **j. Goods and Services Tax (GST)**

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

### **k. Comparative Figures**

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

Where the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial as at the beginning of the preceding period is presented in addition to the minimum comparative financial statements.

### **l. Accounts Payable and Other Payables**

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

### **m. Critical Accounting Estimates and Judgments**

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

### **Key estimates**

#### **Impairment - general**

- i. The company assesses impairment at the end of each reporting period by evaluation of conditions and events 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.

#### **Valuation of land and buildings**

- ii. The freehold land and buildings were independently valued at 30 June 2014 by Taylor Byrne. The valuation was made on the basis of "Highest and Best Use" which includes critical assumptions relating to recent sales data for similar properties, the location of the property and the capitalisation of assessed net income. The valuation resulted in an increase in the valuation of the land and buildings of \$55,900 in the 2014 year, which was applied against the net surplus for the year in the statement of comprehensive income.

The committee have reviewed the key assumptions adopted by the valuers in determining the value of the land and buildings and believe that the valuation appropriately reflects the fair value of the land and buildings at 30 June 2014.

# NOTES TO THE FINANCIAL STATEMENTS...

## FOR THE YEAR ENDED 30 JUNE 2016...

NOTE 2: REVENUE AND OTHER INCOME	2016	2015
<b>Revenue:</b>		
Interest revenue	49,528	34,276
Grant Income	4,527,654	3,383,723
Other income	106,011	412,345
Medicare Billings	2,550,458	1,308,316
<b>Total Revenue</b>	<b>7,233,650</b>	<b>5,138,660</b>
<b>Other Income:</b>		
Profit on sale of property, plant, equip	-	(57,913)

### NOTE 3 - CASH ASSETS

<b>Bank accounts:</b>		
CBA - 064433 11020140	126,136	93,539
CBA - 064433 11024862	2,248,403	801,756
CBA - 064433 50379973 (\$50k)	-	51,536
CBA - 064433 50380616 (\$700k)	-	700,000
CBA - 064433 50381088 (\$450k)	-	216,128
CBA - 064433 50386532 (\$32,845)	33,683	32,845
CBA - 064433 50385783 (\$10K)	10,386	1
<b>Total Cash Assets</b>	<b>2,418,608</b>	<b>1,895,804</b>

#### Reconciliation of Cash:

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash	2,418,608	1,895,804
	<b>2,418,608</b>	<b>1,895,804</b>

### NOTE 4: TRADE AND OTHER RECEIVABLES

#### Current

Trade debtors	63,222	6,539
Other receivables	25,846	36,677
<b>Total Trade and Other Receivables</b>	<b>89,068</b>	<b>43,216</b>

### NOTE 5: INVENTORY

Inventory on hand at cost	-	140,593
<b>Total Inventory</b>	<b>-</b>	<b>140,593</b>

Inventory on hand was written off for obsolescence on 30 June 2016. The shirts are not branded with Carbal Aboriginal and Torres Strait Islander Health Services Ltd and as such management believes it is appropriate to write off this stock.

# NOTES TO THE FINANCIAL STATEMENTS...

## FOR THE YEAR ENDED 30 JUNE 2016...

	2016	2015
<b>NOTE 6: OTHER ASSETS</b>		
<b>Current</b>		
Short term deposits	19,400	19,400
Prepayments	10,495	10,495
<b>Total Other Assets</b>	<b>29,895</b>	<b>29,895</b>
<b>NOTE 7: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Buildings:</b>		
- At directors valuation	1,200,000	1,200,000
- Less: Accumulated depreciation	(28,000)	(14,000)
	<b>1,172,000</b>	<b>1,186,000</b>
<b>Leasehold improvements:</b>		
- At cost	205,895	81,828
- Less: Accumulated depreciation	(4,531)	(1,093)
	<b>201,364</b>	<b>80,735</b>
<b>Health Promotion Equipment:</b>		
- At cost	15,000	15,000
- Less: Accumulated depreciation	(10,557)	(7,368)
	<b>4,443</b>	<b>7,632</b>
<b>Office &amp; Computer Equipment:</b>		
- At cost	297,294	157,171
- Less: Accumulated depreciation	(123,223)	(74,007)
	<b>174,071</b>	<b>83,164</b>
<b>Medical Equipment:</b>		
- At cost	77,012	76,362
- Less: Accumulated depreciation	(42,482)	(25,245)
	<b>34,530</b>	<b>51,117</b>
<b>Motor Vehicles:</b>		
- At cost	35,000	35,000
- Less: Accumulated depreciation	4,375	-
	<b>30,625</b>	<b>35,000</b>
<b>Total Property, Plant and Equipment</b>	<b>1,617,033</b>	<b>1,443,648</b>

# NOTES TO THE FINANCIAL STATEMENTS...

## FOR THE YEAR ENDED 30 JUNE 2016...

	2016	2015
<b>NOTE 8: PAYABLES</b>		
Trade creditors	45,648	90,464
Payroll liabilities	151,133	193,069
Other payables	63,318	71,057
Annual leave	164,176	99,183
Unexpended Grants	2,344	7,836
<b>Total Payables</b>	<b>426,619</b>	<b>461,609</b>

The accrual of annual leave days were reclassified from provisions to trade and other payables to better reflect the nature of these employee entitlements.

### NOTE 9: PROVISIONS

#### Current

Time off in lieu	3,477	6,158
	<b>3,477</b>	<b>6,158</b>

#### Non- current

Long service leave	20,064	17,106
	<b>20,064</b>	<b>17,106</b>

A provision has been recognised for non-current employee entitlements relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee entitlements has been included in Note 1

### NOTE 10: CASHFLOW INFORMATION

Surplus for the year	636,163	194,494
<b>Adjustment for non-cash items</b>		
Depreciation	91,454	101,323
Loss on disposal of property, plant and equipment	-	58,750
Loss on obsolete stock	140,593	-
<b>Adjustment for changes in assets and liabilities</b>		
Trade receivables	(56,683)	14,125
Other receivables	10,830	(26,160)
GST	(2,906)	67,359
Prepayments	-	59,428
Trade and other payables	(26,593)	193,418
Unexpected grants	(5,492)	(179,677)
Provisions	277	(1,570)
<b>Net cash from operating activities</b>	<b>787,643</b>	<b>481,490</b>

# NOTES TO THE FINANCIAL STATEMENTS ...

## FOR THE YEAR ENDED 30 JUNE 2016...

### **Note 11: Contingent Liabilities**

The company is limited by guarantee. If the company is wound up, the Constitution of the Company states that each member is required to contribute a maximum of \$10 each towards outstanding obligations of the company. As at 30 June 2016 Carbal Aboriginal and Torres Strait Islander Health Services Ltd had 11 members and therefore a contingent asset of \$110 exists.

The company receives significant funding from Federal and State Agencies in the form of grant funding to further their objectives. Under the terms of these Deeds of Grant Funding, the company may be liable to repay the funds if certain conditions and criteria are not met. At the time of signing this report the company is unable to estimate with sufficient reliability any funds which may be repayable, if at all, under existing funding agreements.

The company has no other contingent liabilities at the date of the financial report.

### **Note 12: Economic Dependence**

Carbal Aboriginal and Torres Strait Islander Health Services Ltd is dependent on both the Federal Department of Health and Queensland Health for the majority of its revenue used to operate the business. At the date of this report, the committee has no reason to believe the Departments will not continue to support Carbal Aboriginal and Torres Strait Islander Health Services Ltd.

### **Note 13: Events Subsequent to Reporting Date**

No material events occurred after the reporting date and to the date of the financial report requiring disclosure.

# DECLARATION . . . .

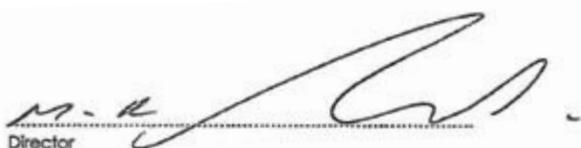
Carbal Aboriginal and Torres Strait Islander  
Health Services Ltd  
ABN 50 275 271 535  
Trading As Carbal Medical Services

## DIRECTORS' DECLARATION...

**The directors of the company declare that:**

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
  - a. comply with Accounting Standards and the Corporations Regulations; and
  - b. give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date;
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 with the directors.



Director



Director

**Dated: 4 October 2016**

# INDEPENDENT AUDITOR'S REPORT.....

## FOR THE YEAR ENDED 30 JUNE 2016...

To the directors of Carbal Aboriginal and Torres Strait Islander Health Services Ltd

### Report on the Financial Report

We have audited the accompanying financial report of Carbal Aboriginal and Torres Strait Islander Health Services Ltd, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Financial Report

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

### Basis for Qualified Auditor's Opinion

The association's property, plant and equipment are carried in the statement of financial position at \$1,617,034. We were unable to

view a fixed asset register as at 30 June 2016. Depreciation was calculated on the cost of equipment held in the prior year audited financial statements with adjustments for current year acquisitions using the average depreciation rate for each class. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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

### Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Carbal Aboriginal and Torres Strait Islander Health Services Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

### Qualified Auditor's Opinion

In our opinion, except for the matter referred to above in the Basis for Qualified Auditor's Opinion paragraph, the financial report of Carbal Aboriginal and Torres Strait Islander Health Services Ltd 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 2016 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards and the Corporations Regulations 2001.

### Basis of Accounting

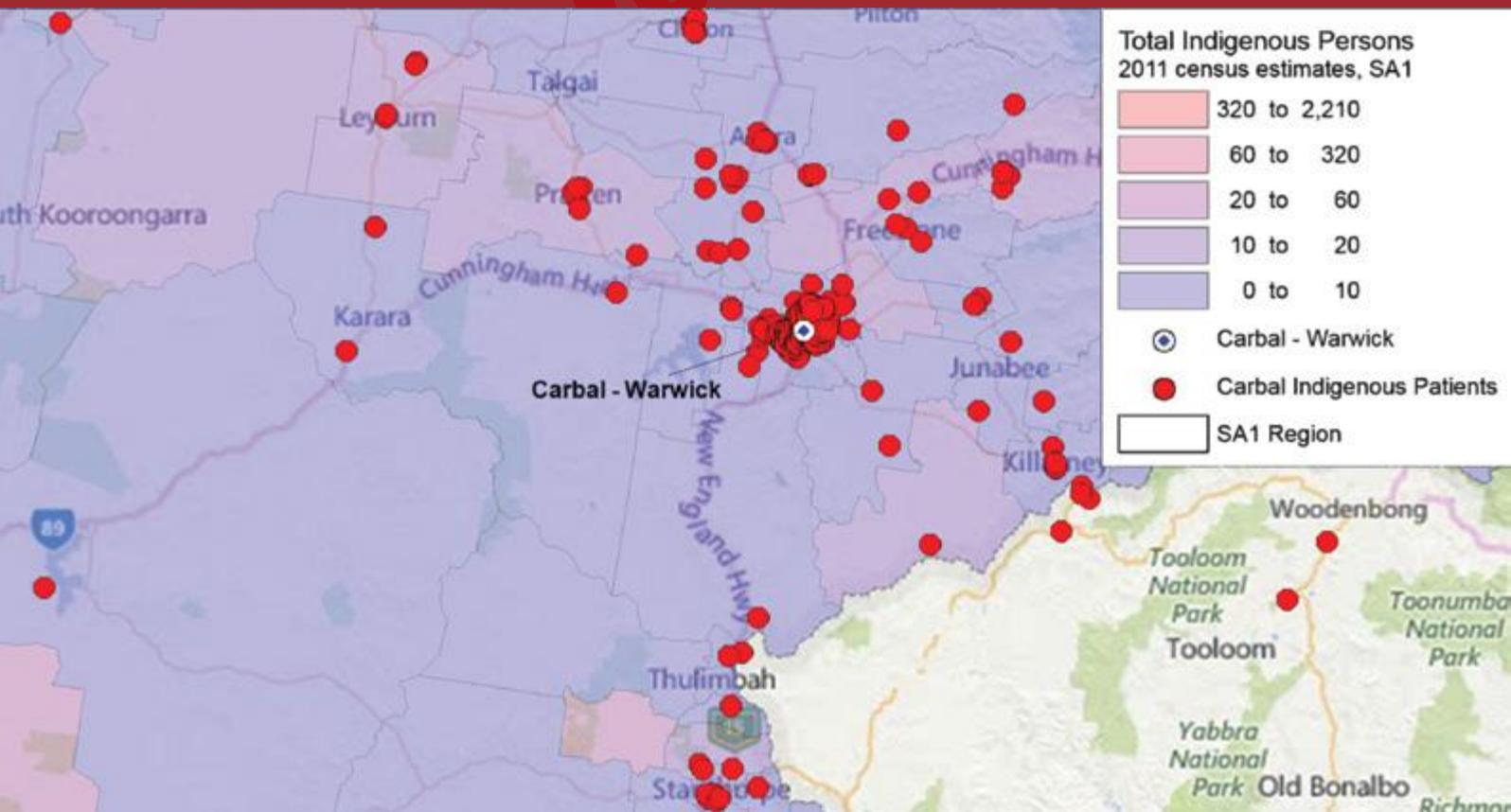
Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

  
Jason Croston

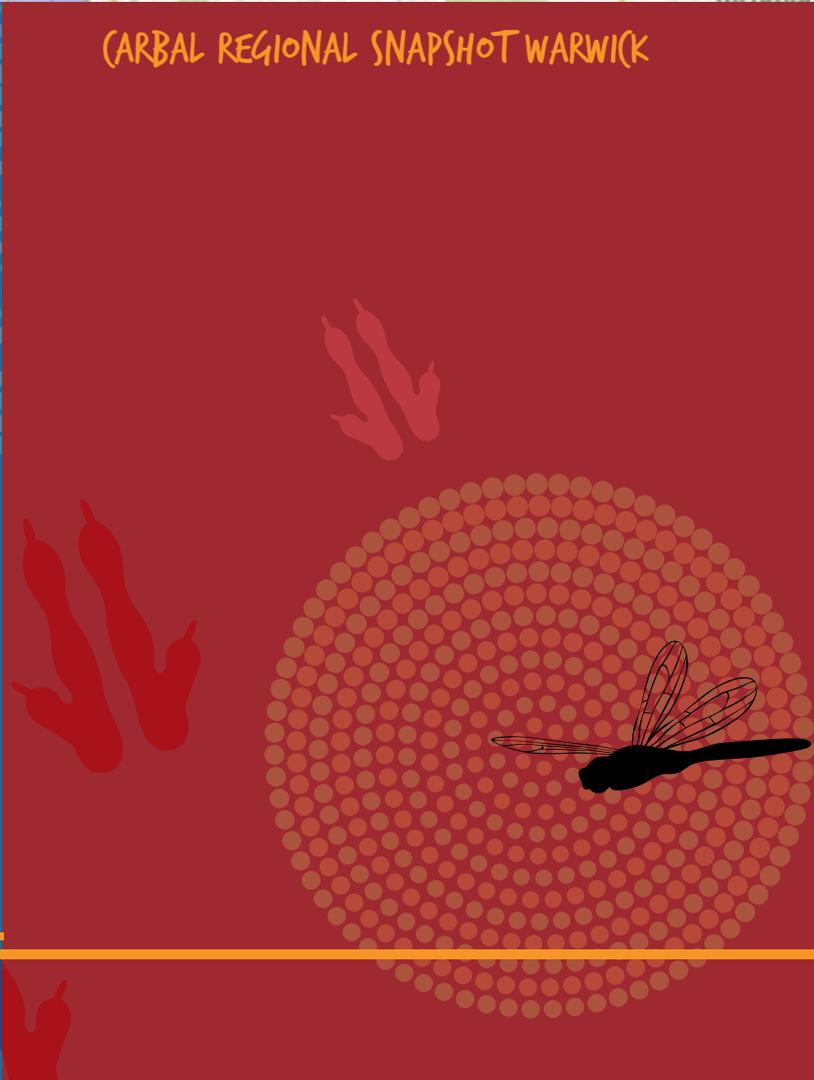
SRJ Walker Wayland  
Director

Date: 4 October 2016

Address: Unit 3, 27 South Pine Road,  
BRENDALE QLD 4500



## CARBAL REGIONAL SNAPSHOT WARWICK





[www.carbal.com.au](http://www.carbal.com.au)

