



2017-2018

ANNUAL Report

Carbal Aboriginal and
Torres Strait Islander
Health Services Limited

ACN: 611 551 369

Trading as - Carbal Medical Services

ABN: 50 275 271 535



**Carbal
Medical
Services**

86 BABIES HAVE BEEN BORN INTO THE NEW DIRECTIONS FAMILY.

SUCCESSFUL IN GAINING FUNDING TO PROVIDE NEW STRONG MIND STRONG SPIRIT MENTAL HEALTH PROGRAM

ACHIEVED ISO 9001:2015 AND HUMAN SERVICES QUALITY FRAMEWORK ACCREDITATIONS WITH NO IMPROVEMENT RECOMMENDATIONS.

EXPANDED SERVICES IN WARWICK TO INCLUDE A NEW FACILITY DEDICATED TO PROGRAM DELIVERY – THE WARWICK WELL-BEING CENTRE

1360 VITAL HEARING SCREENS PROVIDED TO PRIMARY STUDENTS IN TOOWOOMBA AND WARWICK.

7408 OCCASIONS OF SERVICES PROVIDED BY OUR INTEGRATED TEAM CARE TEAM ACROSS TOOWOOMBA AND THE SOUTHERN DOWNS

AN EXPANSION OF OUR PARTNERSHIPS WITH UNIVERSITIES BY CONDUCTING RESEARCH WITH ANU, UQ, QUT AND THE UNIVERSITY OF NEWCASTLE

ESTABLISHMENT OF A NEW DRUG AND ALCOHOL SUPPORT PROGRAM IN WARWICK

EXPANSION OF OUR NDIS SUPPORTS TO INCLUDE PLAN MANAGEMENT AND THERAPEUTIC SERVICES

AN EXPANSION OF OUR PHARMACEUTICAL SERVICES WITH THE ADDITION OF THE INTEGRATING PHARMACISTS WITHIN ACCHS (IPAC) PROGRAM

CARBAL MEDICAL SERVICES ANNUAL REPORT



1. Chair's Report
2. CEO Report
3. Treasurer's Report
4. Audited Financial Statements
Year ended 30 June 2018
5. Organisational Health Check
6. Process for Appointing
Directors and Members

**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 1 September 2018





FROM THE CHAIR: DR MAREE TOOMBS

In the last 12 months Carbal has continued to rapidly expand its services with significant funding allocated to our Community and Social and Emotional Wellbeing programs. We are quickly becoming recognised at the community, state and federal levels as a show case for the best practice primary health care and social service provision to Aboriginal and Torres Strait Islander people. Our commitment to the provision of quality services is further evidenced by our continued ISO 9001:2015, Human Services Quality Framework and GPA accreditations.

Carbal continues to provide health and / or social services to a growing number of clients with over 7000 people accessing our services. We can now boast eight GPs and an impressive number of complimentary allied health services that lend themselves to our holistic model of health care approach. This also aligns with our goal to provide high quality, sustainable and comprehensive primary health care services.

Our programs and social services include:

1. The expansion of primary health services to our local high schools;
2. Alcohol and other Drug Services including a new service in Warwick;
3. An expanded Integrated Team Care Service with our Care Coordinators and Indigenous Outreach Workers now also administering the Supplementary Services funds;
4. The highly successful Strong Fathers, Strong Families that is continuing to have positive outcomes in partnership with the Toowoomba Murri Court Service;

5. An expanded Child and Family Support Program;
6. Indigenous Child Health Workers who provide extensive hearing screening for lower primary school aged children;
7. New DDWMPHN funded Mental Health Service - Strong Mind, Strong Spirit in Toowoomba and Warwick;
8. And expanded New Directions - Midwifery and Child Health Service that includes weekly Koala Club sessions during the school term;
9. Sustainable supports via the National Disability Insurance Scheme;
10. A successful Tackling Indigenous Smoking Program;
11. Research Projects in partnership with QUT, ANU, the University of Newcastle and UQ;
12. An expansion of our pharmaceutical services with the addition of the Integrating Pharmacists within ACCHs (IPAC) Program.

In terms of infrastructure, Carbal has established a new program building in our Warwick community just a short walk from our busy clinic. The Board continues to look for opportunities to purchase a building in Toowoomba to accommodate our ever increasing service provision. Our staff who now number an impressive 80 (64% identifying as Indigenous) are to be commended on another year of hard work, growth and dedication. The board remains committed to improving services through the upskilling of our staff with over 100 instances of external training having been provided to staff over the past 12 months.





FROM THE CEO: BRIAN HEWITT

I have now been fortunate enough to lead the management team at Carbal Medical Services for almost four years and whilst I have seen enormous improvements in our services and the care being delivered to our local service area communities, the challenge of significantly improving the health status of Aboriginal and Torres Strait Islander people nationally remains as an area of concern and one requiring a much-increased focus by all levels of government. The annual Closing The Gap reports indicate some overall improvements, particularly in areas of infant mortality, child immunisation rates and access to chronic health care services, but overall progress has been slow and inconsistent. There remains significant health disparities between Aboriginal and Torres Strait Islander peoples and other Australians and the link to social determinants, behavioural risk factors and cultural identification cannot be ignored. There is abundant research available to show that a strong connection to culture and culturally appropriate interaction is strongly correlated with good health through strengthened identity, resilience and general well-being. This holistic approach forms the basis for health service delivery by Carbal Medical Services.

Since the successful, culturally appropriate delivery of health services to First Nation peoples by First Nation peoples was initiated in the 1970's, successive governments have been committed to this approach and the rise of the community based Aboriginal Medical Services (AMS) began. However, funding to support the approach has been at best incremental and this is not enough to reduce the inequality gap between Aboriginal and Torres Strait Islander peoples and other Australians because it is largely negated by improvements in health treatments generally and these gains apply to a far greater degree to non-aboriginal Australians, for a variety of reasons – hence the 'gap' remains the same or even widens.

In recent times, governments have addressed concerns with mainstream technology access by assigning billions of dollars to the establishment of the NBN, concerns with the care of people with disabilities by assigning billions of dollars to the NDIS and concerns with environment, energy and climate change with similar multi-billion dollar investments. However, when it comes to addressing the disparity in health outcomes between First Nations people and other Australians, which is in fact a human rights issue, there is a general malign view that it is a 'bottomless pit'. It is a right of being human to expect a decent standard of health access and life expectancy, it is not a gift or a favour or a reward. It is not a 'bottomless pit', it simply requires a positive resolve and co-ordinated approach to address.

Health parity can be addressed for Aboriginal and Torres Strait Australians provided there is a reasonable injection of funds within an achievable and accountable timeframe. The only government that

has real accountability for the success or otherwise of the Closing The Gap strategy will be the one that holds office in 2032....not particularly conducive to creating a mindset to address inequalities.

Evidence shows that dramatic improvements in health outcomes can be achieved and that gains on many issues can occur within even short time frames. Other comparable countries, including New Zealand and Canada have made greater progress in improving the health status of indigenous peoples than what we have achieved in Australia. Australia is regarded as an extremely wealthy nation – given this standing, is it reasonable to suggest that one of the wealthiest nations in the world cannot solve a health crisis that only affects less than 3% of its population?

It is my opinion that, if a reasonable increase in the level of funding, committed over the next ten years, principally to First Nations health organisations, who are well acknowledged as being in the best position to deliver outcomes, is applied, then we will see real and sustainable change to health outcomes for all First Nation people in this country. This Annual Report shows the real gains that are possible when Aboriginal people are given ownership of delivering health outcomes – there are similar success stories right across the country. Governments need to stop inhibiting outcomes with excessive reporting and have confidence that the AMS initiative can and will achieve the necessary successes if given proper support. It is my hope that we move to this position sooner rather than later....

I would like to take this opportunity to commend Chair, Maree Toombs and each of the members of the Carbal Company Management Board for their ongoing faith, vision and encouragement of all Carbal Staff as we continue to seize opportunities for a holistic approach to addressing not only health care but also the social determinants that impact health and health equity for all First Nation people in our region.

Brian Hewitt
M.Ed., B.Ed., Dip Ed., JP Qual
CEO

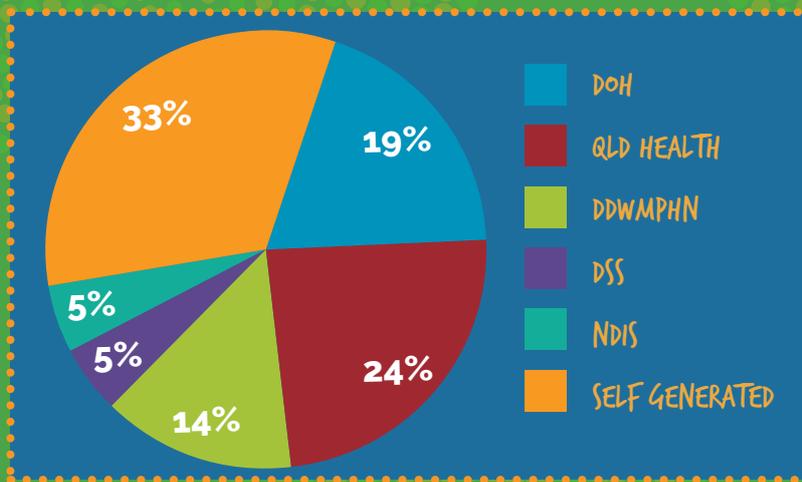


THE TREASURER: MS MELANIE WATERS

The attached audited financial statements for 2017-2018 continue to reflect a very positive change in the operational management of Carbal Medical Services and I would like to express my thanks, on behalf of the Board of Management and the Members, to the Senior Management and Finance team for their expertise and support in maintaining our excellent financial position and accounts.

The audited financial statements for 2017-2018 are attached. We ended the trading year with a surplus of \$1,576,430 which was an increase of \$927,309 on the previous period. Our revenue for the period increased by \$2,267,852 which was excellent and there is further revenue growth projected in the current financial year budget. This growth is largely due, partly to the continued program funding that we have been able to attract and reflects a sound level of confidence in Carbal by the funding bodies and also to a significant increase in self-generated funds. The following chart shows a breakdown of our income and it is most pleasing to report that one third of our income continues to be self-generated, providing great flexibility and security for the identification and addressing of identified gaps in the provision of health funding.

Much of our self-generated income is being used to cover administration costs and to 'value-add' to the various programs that we are funded to deliver by governments. Carbal averages less than 7% in program administration costs and many programs are delivered with 0% administration cost to the funding bodies - this would be at the lowest end of NFP costs in Australia. This represents an extremely creditable use of taxpayer funds. Carbal has also funded a number of programs and activities that do not receive any 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. The Board of Management is extremely pleased that we are 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 for the Company now stands at \$5,929,996 which reflects an increase of approximately \$1,576,430 on the previous period. This places us in a very sound position to continue identifying and addressing areas of need in health provision for our communities. On behalf of the Board of Directors of Carbal Aboriginal and Torres Strait Islander Health Services Limited, it gives me great pleasure to commend the 2016-2017 audited financial statements and auditors report to our members. I include an extract from the Auditors summary letter below:

Melanie Waters
TREASURER
2017-2018

As part of our audit of the financial statements of Carbal Aboriginal and Torres Strait Islander Health Services Ltd ("Carbal" or the "Company") for the year ended 30 June 2018, we focused on aspects of financial reporting believed to have a significant impact on the relevance, reliability, comparability and understandability of the information provided in the financial report. On the basis of materiality, we believe the accounting policies applied

are appropriate for Carbal, that transactions are accurately recorded, and accounting estimates and judgements reflected in the accounting records are appropriate.

There are three main parts of a financial report used to analyse a company's financial results as follows:

1. The Statement of Profit or Loss and other comprehensive income demonstrates Carbal's surplus for the period, being the income recognised less any expenses. Carbal has experienced a strong surplus of \$1.5M for the 2018 year.



EXTRACT FROM AUDITORS SUMMARY LETTER (CONT)

Carbal's income increased by 31% into the 2018 year following increased funding due to increased programs managed, increased Medicare billings and a move into NDIS services. Costs also increased, however in a smaller ratio to prior year with staffing costs increasing 11% and remaining expenditure increasing 5%.

- 2. The Statement of Financial Position is a snapshot of the company's assets, liabilities, and retained surplus at the end of the year. Carbal has a healthy year end position with net equity of \$5.9M, evidencing the company's growth from the 2017 equity balance of \$4.3M. Carbal also has a current asset position of approximately \$4M and a cash balance of \$4.5M at 30 June 2018, confirming Carbal's ability to pay short term obligations as they fall due.*
- 3. The Cash Flow Statement provides a view of how much actual cash a company has generated and therefore shows how the company is able to pay for its operations and future growth. Carbal has continued to have a strong inflow of cash from operating activities at \$1.69M for the 2018 financial year.*

Carbal's control environment is progressively improving in each year's audit with management continuing to develop key controls over time in combination with a focus on the higher risk areas identified during the audit. In recent years, management focus has been to ensure accurate reflection of balances stated in the Statement of Financial Position by way of the creation and update of an accurate fixed asset register and through review and tidy up of small long outstanding legacy balances.

Overall, we consider Carbal's records to be in good order and we would like to take this opportunity to thank management and all staff involved in the audit for the year ended 30 June 2018 for their support and co-operation.

Jessica Galvin
PARTNER
Crowe Horwath South QLD

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.

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 2018

CARBAL ABORIGINAL AND
TORRES STRAIT ISLANDER
HEALTH SERVICES LTD

ABN 50 275 271 535
ACN 611 551 369

TRADING AS CARBAL MEDICAL SERVICES

CONTENTS: FINANCIAL STATEMENTS

Directors Report.....	9
Auditor's Independence Declaration.....	14
Statement of Profit or Loss and Other Comprehensive Income.....	15
Statement of Financial Position.....	16
Statement of Changes in Equity.....	17
Statement of Cash Flows.....	18
Notes to the Financial Statements.....	19
Director's Declaration.....	29
Independent Auditor's Report.....	30

DIRECTORS' REPORT.....

THE DIRECTORS PRESENT THEIR REPORT, TOGETHER WITH THE FINANCIAL STATEMENTS, ON THE COMPANY FOR THE YEAR ENDED 30 JUNE 2018.

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dr Maree Toombs
Cr Wayne Cahill
Ronald Hampton – Resigned 30 April 2018
Perry Miller

George Petroff
Melanie Waters
Colin Jones – Appointed 31 July 2018

OBJECTIVES

To make a significant and growing contribution towards achieving equity in health outcomes for the Aboriginal and Torres Strait Islander communities of Toowoomba and our wider service region.

STRATEGY FOR ACHIEVING THE OBJECTIVES

- » Delivery of tailored health services.
- » Provision of holistic, culturally appropriate health services.
- » Support for the social and emotional wellbeing of the individuals in our community.
- » Cultural connection with families and the broader community.
- » Commitment to continual and quality improvement in service delivery.
- » Modelling of responsible and representative governance.

The aim of the Company is to pursue the following purposes:

- a. to develop, coordinate and conduct services that provide for the care and support in meeting the needs of Aboriginal and Torres Strait Islander individuals and groups in Toowoomba and the Darling Downs region;
- b. to coordinate and conduct services aimed at improving the health and wellbeing that meets the needs of Aboriginal and Torres Strait Islander people in Toowoomba and the Darling Downs region;
- c. to collaborate with and support research professionals or entities in the development and implementation of translational research that will improve the health and well-being outcomes within Aboriginal and Torres Strait Islander communities;

DIRECTOR'S

PRINCIPAL ACTIVITIES

Carbal currently delivers seventeen funded programs on behalf of State and Commonwealth governments and the Darling Downs West Moreton Primary Health Network. This includes the maintenance of two fully operational general practice clinics in Toowoomba and Warwick. In addition to the broad spectrum of programs that we are involved with, Carbal hosts a number of Allied Health professionals and research teams from the University of Queensland and the Queensland University of Technology to assist with the collection of data related to preventative health measures in the fields of physical and mental health.

The Carbal Board of Directors is steadfastly supportive of 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. 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. Carbal will continue to identify gaps and attempt to address these gaps in a practical and sustainable way.

Carbal's operational region comprises of the three local government areas of Goondwindi Regional Council, Southern Downs Regional Council and Toowoomba Regional Council. Carbal's operational region has a total area of 39,384.0km². Based on 2011 figures, 6,888 Aboriginal and Torres Strait Islander people live in Carbal's region. This represents 3.5% of the total resident population. (Data extracted from PENCAT, based on ABS and ASGS)

PERFORMANCE MEASURES

The company measures its performance against the following aims:

- i. To become the major Primary Health Care service provider to Aboriginal and Torres Strait Islander peoples in Toowoomba and the South West Downs.
- ii. To maintain involvement in a range of innovative partnerships and service models with hospitals, private providers, other Indigenous health organisations, and non-Indigenous, non-government organisations, that promote improved access to comprehensive primary health care for the Aboriginal and Torres Strait Islander community in Toowoomba and the South West Downs.
- iii. To participate in a regional model for Primary Health Care delivery to the Aboriginal and Torres Strait Islander communities in Toowoomba and the South West Downs by working collaboratively with like-minded organisations.
- iv. To provide significant input into the local Aboriginal and Torres Strait Islander community understandings of their key health risk factors and expand our services in response to evidence-based community health needs.
- v. To Implement governance and management reforms for enhancing service models and maintaining sustainable financial independence.

The key performance measures are the NKPI data provided to the funding bodies, the maintenance of our ISO 9001:2015 operational practices and governance accreditation and the GPA clinic operations accreditation – all of which have been successfully maintained and delivered during the 2017-2018 financial year.

DIRECTORS



Name:

DR MAREE TOOMBS

Title:

Non-Executive Chair

Qualifications:

PhD, B.Ed., Grad Cert Teaching and Learning

Experience and expertise:

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.



Name:

(R WAYNE (BILL) AHILL

Title:

Non-Executive Deputy Chair (and Treasurer as of 24 February 2017)

Experience and expertise:

Wayne is a proud Awabakal man and has a successful technical and corporate management background and brings a breadth of experience to his elected position. He is in his third 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.

Special responsibilities:

Company secretary



Name:

RONALD HAMPTON

Title:

Non-Executive Director - Resigned 30 April 2018

Qualifications:

M.Ed., B.A. Soc Sci., Grad Dip Arts

Qualifications:

Ron 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 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.

COMMITTEE.....



Name: PERRY MILLER

Title: Non-Executive Director

Experience and expertise: Dip Welfare

Experience and expertise: Perry is a proud Kunjen man and has spent his working career assisting Aboriginal and Torres Strait Islander communities to access better health and well-being outcomes. He currently works as a Family Support Practitioner at Act For Kids in Toowoomba.



Name: GEORGE PETROFF

Title: Non-Executive Director

Experience and expertise: M Psych. Clinical, B.A.

Experience and expertise: Mr George Petroff is an experienced Clinical Psychologist who has worked in both the public and private systems for over thirty years. During this time he has excelled in an extensive range of roles within alcohol and other drugs units, universities, psychiatric and acquired brain injury centres and acute mental health units. He currently provides services to a wide variety of clients including many Aboriginal and Torres Strait Islander community members at his practice, Toowoomba Psychology Services.



Name: MELANIE WATERS

Title: Non-Executive Director

Experience and expertise: Associate Diploma of Social Science (Welfare)

Experience and expertise: Melanie Waters is a Kamilaroi woman from St. George who continues to hold strong cultural links to her country. Melanie has worked across all levels of Government and in private enterprise within the areas of law and justice, education, social housing, community development, social justice, food and fuel supply.

Mel is passionate about improving Aboriginal and Torres Strait Islander emotional, physical and spiritual health which she believes may empower communities and individuals to tackle the health and educational disadvantages which remains at unacceptable levels within our communities.

Mel currently works for the University of Southern Queensland as an Indigenous Employment & Inclusion Officer.



Name: COLIN JONES

Title: Non-Executive Director

Experience and expertise: Master's Degree in Humanities

Experience and expertise: Uncle Colin Jones is a Kalkadoon and Nunukul man born in Ipswich in 1947.

Experience and expertise: Colin joined Carbal's board in July 2017 and brings a wide array of experiences, knowledge and insight. As well as being a highly accomplished and internationally renowned artist, Colin Jones is a scholar and a lecturer in Aboriginal culture, art and history. Colin has shared his knowledge locally at Griffith University and around the world for a wide range of organisations and embassies.

In addition to these rich experiences Colin has worked at the Queensland Police Service Academy, Cairns Aboriginal Coordinating Council, Barallam Prison and with the Department of Juvenile Justice delivering counselling and assistance to remote community members dealing with drug and alcohol use, child neglect and juvenile crime. Colin has held positions on numerous boards including the Beemar Yumba Children's Shelter in Cherbourg Aboriginal community.

Colin currently works with community members who are part of the Strong Fathers Program by providing information about Aboriginal history and culture, guidance and support. Colin continues to lecture and give presentations to university students, staff and many others about Aboriginal history and culture and what it means to be culturally competent in today's society.

DECLARATION.....

MEETINGS OF DIRECTORS....

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2018, and the number of meetings attended by each director were:

	Full Board	
	Attended	Eligible to attend
Dr Maree Toombs	7	8
Cr Wayne (Bill) Cahill	7	8
Ronald Hampton	5	8
Perry Miller	6	8
George Petroff	4	8
Melanie Waters	6	8
Colin Jones	6	7

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$10 each.

The total amount that members of the company are liable to contribute if the company is wound up is \$230, based on 23 current ordinary members.

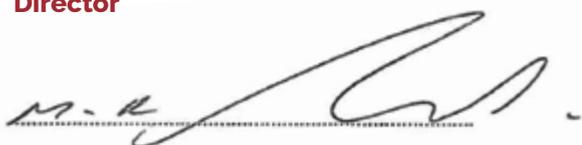
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Director



Dr Maree Toombs

Dated: 9th August 2018

Director



Cr Wayne Cahill

Dated: 9th August 2018

DECLARATION



AUDITOR'S INDEPENDENCE DECLARATION

As auditor of Carbal Aboriginal and Torres Strait Islander Health Services Ltd for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Carbal Aboriginal and Torres Strait Islander Health Services Ltd during the year.

Crowe Horwath South QLD

A handwritten signature in black ink that reads "Galvin".

Signed:Signature

Jessica Galvin
Partner

Signed at Toowoomba, 10 August 2018

STATEMENT OF COMPREHENSIVE INCOME...

FOR THE YEAR ENDED 30 JUNE 2018...

	NOTE	2018	2017
Revenue	3	9,467,153	7,199,301
Expenses			
Administration costs		(247,145)	(295,057)
Clinic costs		(171,745)	(122,403)
Employee benefits expense		(5,754,369)	(5,160,133)
Occupancy costs		(379,158)	(344,323)
Programming costs		(765,569)	(495,901)
Repairs and maintenance		(39,258)	(68,243)
Depreciation expense	4	(38,785)	(7,799)
Motor vehicle expenses	4	(345,223)	(235,563)
Impairment of property, plant and equipment	4	-	(206,611)
Other expenses		(149,471)	(142,146)
Surplus before income tax expense		1,576,430	121,122
Income tax expense			-
Surplus after income tax expense for the year attributable to the members of Carbal Aboriginal and Torres Strait Islander Health Services Ltd		1,576,430	121,122
Other comprehensive income for the year			
<i>Items that will not be reclassified subsequently to profit or loss.</i>			
Gain on the revaluation of land and buildings, net of tax	8		528,000
Other comprehensive income for the year, net of tax			528,000
Total comprehensive income for the year attributable to the members of Carbal Aboriginal and Torres Strait Islander Health Services Ltd		1,576,430	649,122

THE ABOVE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES

STATEMENT OF FINANCIAL POSITION.....

FOR THE YEAR ENDED 30 JUNE 2018...

ASSETS	NOTE	2018	2017
Current Assets			
Cash and cash equivalents	5	4,551,248	2,925,934
Trade and other receivables	6	11,336	16,742
Other	7	15,087	23,520
Total Current Assets		4,577,671	2,966,196
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,964,153	1,932,337
Total Non-Current Assets		1,964,153	1,932,337
TOTAL ASSETS		6,541,824	4,898,533
LIABILITIES			
Current Liabilities			
Trade and other payables	9	375,015	332,172
Employee benefits	10	194,626	178,884
Total Current Liabilities		569,641	511,056
NON-CURRENT LIABILITIES			
Employee benefits	10	42,187	33,911
Total Non-Current Liabilities		42,187	33,911
Total Liabilities		611,828	544,967
NET ASSETS		5,929,996	4,353,566
EQUITY			
Retained surpluses		5,401,996	3,825,566
Reserves	12	528,000	528,000
Total Equity		5,929,996	4,353,566

THE ABOVE STATEMENT OF (CHANGES IN FINANCIAL POSITION SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES

STATEMENT OF CHANGE IN EQUITY ...

FOR THE YEAR ENDED 30 JUNE 2018...

	Retained Surpluses	Reserves	Total Equity
	\$	\$	\$
Balance at 1 July 2016	3,704,444	-	3,704,444
Surplus after income tax expense for the year	121,122	-	121,122
Other comprehensive income for the year, net of tax	-	528,000	528,000
Total comprehensive income for the year	121,122	528,000	636,161
Balance at 30 June 2017	3,825,566	528,000	4,353,566

	Retained Surpluses	Reserves	Total Equity
	\$	\$	\$
Balance at 1 July 2017	3,825,566	528,000	4,353,566
Surplus after income tax expense for the year	1,576,430	-	1,576,430
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	1,576,430	-	1,576,430
Balance at 30 June 2018	5,401,996	528,000	5,929,996

THE ABOVE STATEMENT OF CHANGES IN EQUITY SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES

STATEMENT OF CASH FLOWS.....

FOR THE YEAR ENDED 30 JUNE 2018...

	2018	2017
(CASH FLOW FROM OPERATING ACTIVITIES)		
Receipts from customers	3,568,543	2,311,133
Payments to suppliers and employees	(7,776,643)	(6,763,660)
Interest received	41,390	47,073
Grants received	5,862,626	4,914,494
Net cash provided by operating activities	16	509,040
(CASH FLOW FROM INVESTING ACTIVITIES)		
Purchase of property, plant and equipment	(70,602)	(1,714)
Net cash used in investing activities	(70,602)	(1,714)
(CASH FLOWS FROM FINANCING ACTIVITIES)		
Net cash provided by financing activities		-
Net increase in cash and cash equivalents	1,625,314	507,326
Cash and cash equivalents at the beginning of the financial year	2,925,934	2,418,608
Cash and cash equivalents at the end of the financial year	5	2,925,934

THE ABOVE STATEMENT OF CHANGES IN CASH FLOWS SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Carbal Aboriginal and Torres Strait Islander Health Services Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Carbal Aboriginal and Torres Strait Islander Health Services Ltd's functional and presentation currency.

Carbal Aboriginal and Torres Strait Islander Health Services Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia.

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on the date the director's report was signed. The directors have the power to amend and reissue the financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2018. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian

Charities and Not-for-profits Commission Act 2012 to prepare and distribute financial statements to the members of Carbal Aboriginal and Torres Strait Islander Health Services Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Carbal Aboriginal and Torres Strait Islander Health Services Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sales revenue

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

Donations

Donations are recognised at the time the pledge is made.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

NOTES TO FINANCIAL STATEMENTS

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

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

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

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables include amounts due from funding bodies as well as amounts receivable from customers for services delivered in the ordinary course of business. Other receivables are recognised at amortised cost, less any provision for impairment.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by directors, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

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

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

Buildings	40 years
Leasehold improvements	10 - 40 years
Health promotion equipment	3 - 30 years
Office and computer equipment	4 - 25 years
Medical equipment	2 - 13 years
Motor vehicles	8 years

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

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

The company applies a policy by which items of plant and equipment over a \$5,000 threshold shall be carried at cost less any accumulated depreciation and any accumulated impairment losses.

Prior to the 2017 year, the company had previously capitalised some items of plant and equipment, irrespective of value. The company also did not previously maintain a fixed asset register and depreciation was calculated based on the cost of property, plant and equipment held in the prior year audited financial statements with adjustments for current year acquisitions using an average depreciation rate for each class.

NOTES TO FINANCIAL STATEMENTS

A detailed fixed asset register was compiled in the 2017 financial year as at 30 June 2017 following a full stocktake of all property, plant and equipment items.

The company recorded depreciation expense and accumulated depreciation on some items of leasehold improvements and computer equipment in the 2017 financial year where adequate records of purchase price and purchase date had been maintained. All other plant and equipment was capitalised at deemed cost less any impairment as at 30 June 2017 with depreciation to be recorded for future years until the items of plant and equipment are either fully depreciated or disposed.

The impact of the 2017 change in accounting policy on the financial statements resulted in an amendment to the plant and equipment balance as at 30 June 2017 of \$206,611 to accurately reflect written down values at 30 June 2017. This adjustment was recognised as an impairment expense in the 2017 financial year.

Trade and other payables

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

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

NOTES TO FINANCIAL STATEMENTS.....

The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation 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 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.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTES TO THE FINANCIAL STATEMENTS...

FOR THE YEAR ENDED 30 JUNE 2018...

NOTE 3: REVENUE

	2018	2017
	\$	\$
Grant Income	5,862,626	4,868,474
Medicare Billings	2,482,181	1,873,852
Practice incentive payments	580,216	331,619
NDIS Billings	440,893	8,093
Other income	59,847	70,190
Interest income	41,390	47,073
Revenue	9,467,153	7,199,301

NOTE 4 - EXPENSES

Surplus before income tax includes the following specific expenses:

Depreciation	38,785	7,799
Motor vehicle leasing costs	345,223	235,563
Rental expense	236,985	195,159
Impairment of property, plant and equipment	-	206,611

NOTE 5 - CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at Bank	4,551,248	2,925,934
	4,551,248	2,925,934

NOTE 6 - CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

Trade receivables	9,290	4,064
Other receivable	2,046	12,678
	11,336	16,742

NOTE 7 - CURRENT ASSETS - OTHER

Short term deposits	(950)	330
Prepayments	16,037	23,190
	15,087	23,520

NOTES TO THE FINANCIAL STATEMENTS...

FOR THE YEAR ENDED 30 JUNE 2018...

NOTE 8. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT	2018	2017
Land and buildings – at directors’ valuation	1,700,000	1,700,000
Leasehold improvements - at cost	110,912	110,912
Less: Accumulated depreciation	(9,928)	(6,665)
	100,984	104,247
Office & computer equipment - at deemed cost	50,066	42,786
Less: Accumulated depreciation	(16,862)	(7,840)
	33,204	34,946
Medical equipment - at deemed cost	93,144	93,144
Less: Accumulated depreciation	(21,357)	-
	71,787	93,144
Motor vehicles - at cost	63,322	-
Less: Accumulated depreciation	(5,144)	-
	58,178	-
	1,964,153	1,932,337

The company’s property, 104 Mary Street was revalued as at 30 June 2017 by directors with a valuation of \$1,700,000. Director’s formed the basis of this valuation through consideration of recent market prices and further confirming their deemed valuation by obtaining a market appraisal as at 3 July 2017 obtained from LJ Hooker Commercial, Toowoomba.

NOTES TO THE FINANCIAL STATEMENTS.....

FOR THE YEAR ENDED 30 JUNE 2018 ...

NOTE 8. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT ((CONT)) RECONCILIATIONS

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land and buildings	Leasehold improvements	Health promotion equipment	Office & computer equipment	Medical equipment	Motor Vehicles	Total
Balance at 30 June 2016	1,172,000	201,364	4,443	174,071	34,530	30,625	1,617,033
Additions	-	-	-	1,714	-	-	1,714
Impairment adjustment	1	(93,854)	(4,443)	(136,303)	(58,614)	(30,625)	(206,611)
Revaluation increments	12	528,000	-	-	-	-	528,000
Depreciation expense	4	(3,263)	-	(4,536)	-	-	(7,799)
Balance at 30 June 2017	1,700,000	104,247	-	34,946	-	-	1,932,337
Additions	-	-	-	7,280	63,322	-	70,602
Impairment adjustment	-	-	-	-	-	63,322	-
Revaluation increments	12	-	-	-	-	-	-
Depreciation expense	4	(3,263)	-	(9,022)	(5,144)	(5,144)	(38,786)
Balance at 30 June 2018	1,700,000	100,984	-	33,204	71,787	58,178	1,964,153

NOTES TO THE FINANCIAL STATEMENTS...

FOR THE YEAR ENDED 30 JUNE 2018...

	2018	2017
NOTE 9. (CURRENT LIABILITIES – TRADE AND OTHER PAYABLES)		
Trade payables	21,377	59,678
Payroll liabilities	207,780	175,022
Other payables	145,858	43,617
Unexpended grants	-	53,855
	375,015	332,172

NOTE 10. (CURRENT LIABILITIES – EMPLOYEE BENEFITS)

Annual leave	190,248	175,175
Time owed in lieu	4,378	3,709
	194,626	178,884

NOTE 11. NON-CURRENT LIABILITIES – EMPLOYEE BENEFITS

Long service leave provision	42,187	33,911
------------------------------	--------	--------

NOTE 12. EQUITY – RESERVES

Revaluation surplus reserve	528,000	528,000
-----------------------------	---------	---------

The reserve is used to recognise increments and decrements in the fair value of land and buildings.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Balance at 1 July 2016	528,000	528,000
Revaluation – gross		
Balance at 30 June 2017	528,000	528,000
Revaluation – gross		
Balance at 30 June 2018	528,000	528,000
Revaluation – gross		

NOTES TO THE FINANCIAL STATEMENTS...

FOR THE YEAR ENDED 30 JUNE 2018...

	2018	2017
NOTE 13. REMUNERATION OF AUDITORS		
During the financial year the following fees were paid or payable for services provided by Crowe Horwath South QLD, the auditor of the company, its network firms and unrelated firms:		
Audit services – Crowe Horwath South QLD		
Audit of the financial statements	15,800	15,000
Other services		
Preparation of financial statements - Crowe Horwath South QLD	2,750	2,500
Preparation of fixed asset register - Crowe Horwath	-	2,000
	2,750	4,500

NOTE 14. COMMITMENTS

Lease commitments - operating

Committed at the reporting date but not recognised as liabilities, payable:

Within one year	362,918	208,281
One to five years	217,476	649,287
	580,394	857,568

Operating lease commitments includes leases for motor vehicles by which transfer of title does not pass to the company at the end of the lease and rental commitments for leased properties.

NOTES TO THE FINANCIAL STATEMENTS... ..

FOR THE YEAR ENDED 30 JUNE 2018...

NOTE 15. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years..

NOTE 17. RECONCILIATION OF SURPLUS AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	2018	2017
Surplus after income tax expense for the year	1,576,430	121,122
Adjustments for:		
Depreciation	38,785	7,799
Loss on impairment of property, plant and equipment	-	206,611
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	5,407	73,399
Decrease/(increase) in prepayments	8,432	6,375
(Decrease)/increase in trade and other payables	42,843	68,655
(Decrease) /Increase in employee benefits	24,019	25,079
Net cash from operating activities	1,695,916	509,040

NOTE 18. (CONTINGENT LIABILITIES)

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.

NOTES TO THE FINANCIAL STATEMENTS...

FOR THE YEAR ENDED 30 JUNE 2017...

NOTE 18. ECONOMIC DEPENDENCE

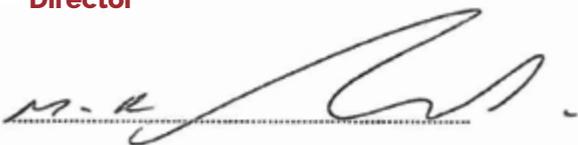
The company is dependent on both the Federal Department of Health and Queensland Health for the majority of its revenue used to operate the business. At the date of this report, the directors have no reason to believe the departments will not continue to support the company.

In the directors' opinion:

- » the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations to prepare and distribute financial statements to the members of Carbal Aboriginal and Torres Strait Islander Health Services Ltd;
- » the attached financial statements and notes comply with the Australian Charities and Not-for-profits Commission Act 2012, the Accounting Standards as described in note 1 to the financial statements and other mandatory professional reporting requirements;
- » the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
- » there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

Director



Dr Maree Toombs

Dated: 9th August 2018

Director



Cr Wayne Cahill

Dated: 9th August 2018

INDEPENDENT AUDITOR'S REPORT.....

FOR THE YEAR ENDED 30 JUNE 2018...

TO THE MEMBERS OF CARBAL ABORIGINAL AND TORRES STRAIT ISLANDER HEALTH SERVICES LTD

Opinion

We have audited the special purpose financial report (the financial report) of Carbal Aboriginal and Torres Strait Islander Health Services Ltd (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the directors.

In our opinion, the accompanying financial report of the Company is in accordance with the Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (the ACNC Act), including:

- a. Giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended.
- b. Complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information contained in the Company's Annual Report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT.....

FOR THE YEAR ENDED 30 JUNE 2018...

Responsibilities of the Board of Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The director's responsibility also includes such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

We communicate with the Board of 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 the audit.

Crowe Horwath South QLD



Jessica Galvin
Partner

Dated at Toowoomba this 10th day of August 2018



Organisational Health Check

Service Outcomes and Performance Summary

At Carbal Medical Services we are committed as an organisation to our own Health Checks

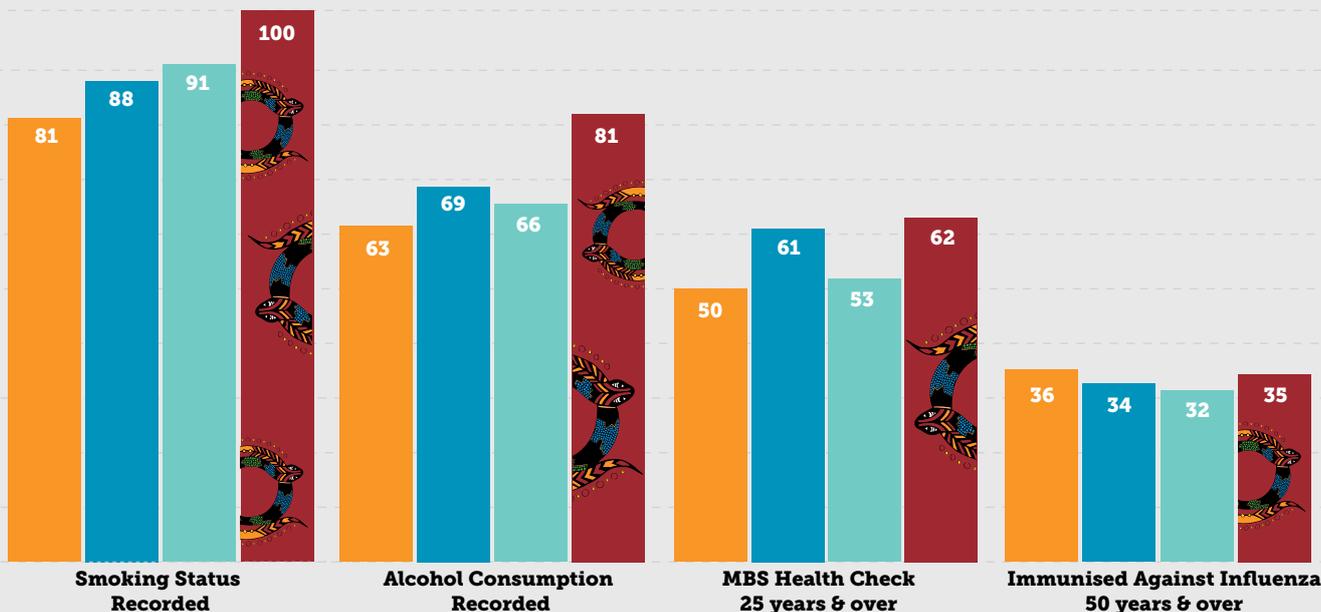


National goal % indicated by line above bars

National Goal

63-74 %

64 %



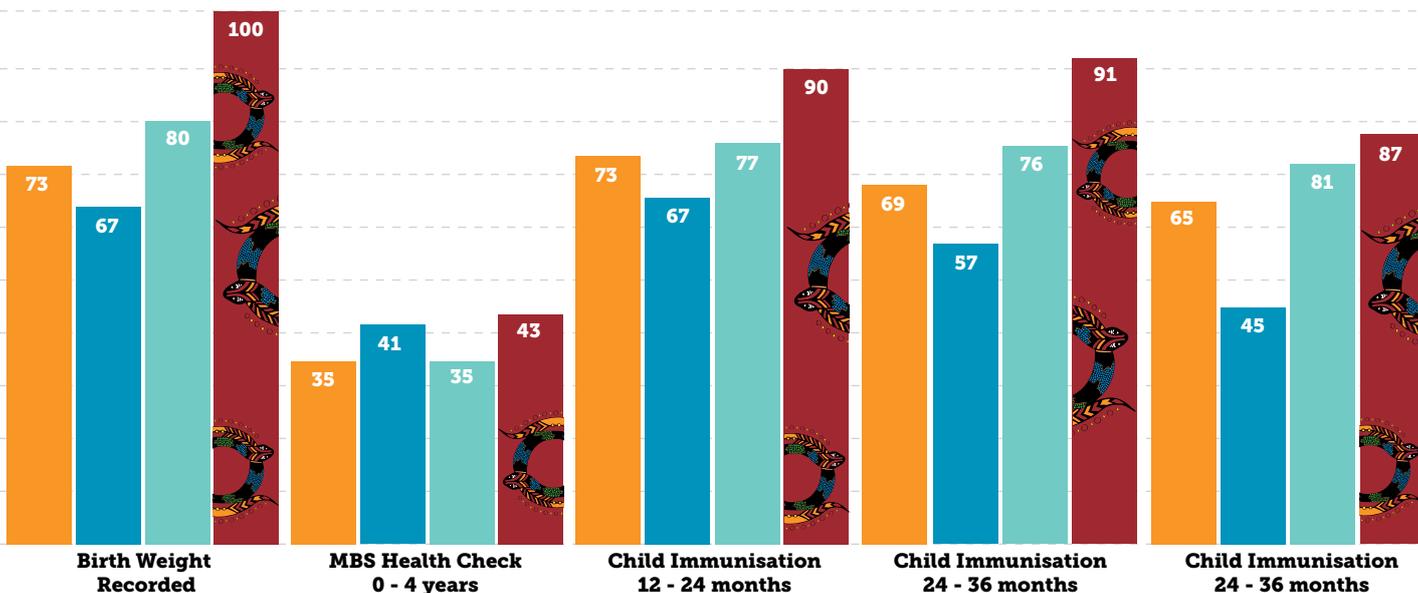
National Goal

69 %

88 %

96 %

96 %



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

Application forms for Board or Company membership will be forwarded upon request.

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.** A person is eligible for election as a Director of the Company if they:
 - a. are a Member of the Company;
 - b. are not a direct relative or extended family member of an existing Director;
 - c. 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);
 - d. give the Company their signed consent to act as a Director of the Company, and
 - e. are not ineligible to be a Director under the Corporations Act or the ACNC Act.
- 17. 4.** 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. 5.** 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. 6.** The Directors must elect a Director as the Company's Elected Chairperson, who must identify as an Aboriginal or Torres Strait Islander.
- 17. 7.** An eligible person may apply to be a Director by:
- completing an appropriate application for appointment as a Director, as published by the Company from time to time, in the Board's discretion (Application);
 - having their Application signed by two current Members, as nominator and seconder; and
 - submitting the Application to the Company Secretary at least 30 days prior to the Annual General Meeting.
- 17. 8.** Upon receiving an Application, the Company Secretary will:
- review the Application to ensure the requirements set out in clauses 17.3 and 17.7 above have been met; and
 - if (a) is satisfied, add the applicant's name to the list of Director Nominees;
 - if (a) if not satisfied, contact the person applying for the directorship and notify them that they must address those matters and re-submit their Application.
- 17. 9.** Fourteen (14) days before the Annual General Meeting, the Company Secretary will disseminate a list of Director Nominees to all Members, as well as details of the number of vacancies available on the Board. A voting slip will also be provided to Members, to allow them to submit a postal vote for the election of Directors. Postal votes must be received by the Company Secretary prior to the AGM in order to be valid.
- 17. 10.** At the Annual General Meeting, voting slips will be disseminated to Members for the purpose of voting for Director Nominees to fill the vacancies on the Board. Members must select their preferred candidates to fill the vacancies on the Board and the votes will be counted and the elected Directors will be declared at the Annual General Meeting.
- 17. 11.** Vacancies on the Board will exist in the following circumstances:
- if a Director has given notice that they are resigning from their position, effective at the Annual General Meeting;
 - if a Director has been appointed in accordance with clause 17.4 to fill a casual vacancy since the previous Annual General Meeting, that Director must retire;
 - if neither (a) or (b) apply, but the Company Secretary has received at least one Application as per clause 17.8(b) since the last Annual General Meeting, then the current Director (excluding the Company's Elected Chairperson) who has been a Director for the longest consecutive time (including as a Member of the Management Committee of the Company's former identity as Darling Downs Shared Care Inc.) must retire;
 - if neither (a), (b) or (c) apply, no vacancies will exist and an election for Directors will not be required to be held at the Annual General Meeting.
- 17. 12.** A Director who retires under clause 17.11 may nominate for election or re-election, subject to clauses 17.14 and 17.15.
- 17. 13.** Other than a Director appointed under clause 17.4, 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. 14.** 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. 15.** A Director stops being a Director if they:
- give written notice of resignation as a Director to the Company;
 - die or become mentally incapacitated;
 - are removed as a Director by a resolution of the Members;
 - stop being a Member of the Company;
 - are absent for three Directors' meetings in a calendar year without approval from the Directors, or
 - become ineligible to be a Director of the Company under the Corporations Act or the ACNC Act.

3276 INSTANCES OF
SUPPORT PROVIDED
VIA THE NDIS

NUMBER OF STAFF NOW STANDS AT 80 WITH
64% IDENTIFYING AS INDIGENOUS

EXPANSION OF MIDWIFERY TEAM TO INCLUDE
A CHILD HEALTH NURSE IN BOTH CLINICS

INCREASE IN THE RECORDS OF FULLY
IMMUNISED CHILDREN FROM 81.4% TO 86.6%

ADDITION OF 3 STAFF
PSYCHOLOGISTS WHO HAVE
PROVIDED A TOTAL OF 244
SESSIONS

120 STUDENTS HAVE HAD 715 HEALTH CHECK
VIA OUR HIGH SCHOOL VISITS.

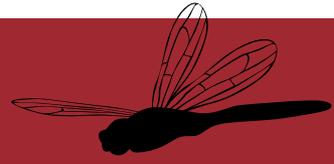
OUR ACTIVE CLIENTS NOW NUMBER OVER 7100 PEOPLE

10% INCREASE IN THE NUMBER OF
PATIENTS WHO HAD A FLU VAX AT THE
CLINICS

38% INCREASE IN THE
NUMBER OF 0-4 YEAR
OLD WHO HAVE HAD A
715 HEALTH CHECK

27.4% INCREASE IN THE NUMBER OF 715
HEALTH CHECKS PROVIDED

114.3% INCREASE IN THE CLIENTS
RECEIVING A NURSE HEALTH REVIEW



www.carbal.com.au

