

# **Foundation for Indigenous Sustainable Health Ltd**

ABN 89 141 884 684

## **Special Purpose Financial Report - 30 June 2020**

**Foundation for Indigenous Sustainable Health Ltd**  
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**30 June 2020**

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**General information**

The financial statements cover Foundation for Indigenous Sustainable Health Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Foundation for Indigenous Sustainable Health Ltd's functional and presentation currency.

Foundation for Indigenous Sustainable Health Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

5/257 Bannister Road, CANNING VALE WA 6155

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 14 September 2020.

**Foundation for Indigenous Sustainable Health Ltd**  
**Directors' report**  
**30 June 2020**

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2020.

**Meetings of directors**

During the year ended 30 June 2020 the Board of Directors met formally four times during the year and the Executive of the Board met twice. Total meetings for the year were six.

**Contributions on winding up**

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$20 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$140, based on 7 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



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Name: Tim Donisi  
Position: Secretary/Director



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Name: Mark Anderson  
Position: Director/CEO

12 October 2020

**Foundation for Indigenous Sustainable Health Ltd**  
**Directors' declaration**  
**30 June 2020**

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 and the Corporations Act 2001 requirements to prepare and distribute financial statements to the members of Foundation for Indigenous Sustainable Health Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 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 2020 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 made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Name: Tim Donisi  
Position: Secretary/Director



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Name: Mark Anderson  
Position: Director/CEO

12 October 2020



**DIRECTORS:**

ROBERT CAMPBELL RCA, CA, CPA, MSW

VIRAL PATEL RCA, CA, CPA

ALASTAIR ABBOTT RCA, CA, M.FORENSIC ACCOUNTING

CHASSEY DAVIDS RCA, CA, AMIA, BCOM

## AUDITOR'S INDEPENDENCE DECLARATION

To the Board of Directors of Foundation for Indigenous Sustainable Health Ltd

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* and *Corporations Act 2001*, in relation to our review of the financial report of Foundation for Indigenous Sustainable Health Ltd for the year ended 30 June 2020, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the review; and
- b) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- c) No contraventions of any applicable code of professional conduct in relation to the review

**Alastair Gordon Abbott, CA**

Registered Company Auditor number 486826

**Director**

**Australian Audit**

Perth, Western Australia

Dated: 14 October 2020

**DIRECTORS:**

ROBERT CAMPBELL RCA, CA, CPA, MSW

VIRAL PATEL RCA, CA, CPA

ALASTAIR ABBOTT RCA, CA, M.FORENSIC ACCOUNTING

CHASSEY DAVIDS RCA, CA, AMIA, BCOM

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Foundation for Indigenous Sustainable Health Ltd

### Report on the Review of the Financial Report

#### Conclusion

We have reviewed the financial report of Foundation for Indigenous Sustainable Health Ltd (the Entity), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by the Board of Directors.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of Foundation for Indigenous Sustainable Health Ltd has not been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a) giving a true and fair view of the Foundation for Indigenous Sustainable Health Ltd's financial position as at 30 June 2020 and of its financial performance for the year then ended;
- b) the *Corporations Act 2001*,
- c) complying with Australian Accounting Standards to the extent described in Note 1,
- d) Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### 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 to assist the Entity to meet the requirements of the *Corporations Act 2001* and the *ACNC Act*. As a result, the financial report may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

#### Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and the *ACNC Act* and the needs of the members. The responsibility of Management also includes such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.



In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### **Auditor's Responsibilities for the Review of the Financial Report**

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the basis of preparation described in Note 1 to the financial report. As the auditor of Foundation for Indigenous Sustainable Health Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the annual financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.



### Report on Other Legal and Regulatory Requirements

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that, Foundation for Indigenous Sustainable Health Ltd has not complied with 60-30(3)(b), (c) and (d) of the *ACNC Act*:

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

**Alastair Gordon Abbott, CA**

Registered Company Auditor number 486826

**Director**

**Australian Audit**

Perth, Western Australia

Dated: 14 October 2020



**Foundation for Indigenous Sustainable Health Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2020**

	Note	2020 \$	2019 \$
<b>Revenue</b>			
Trading income	3	26,262	22,171
Donation - 250 Club		5,000	9,000
Fundraising events		-	2,687
Donations		177,875	35,106
Fee for service		23,688	21,098
Donation - Services		-	81,668
Government stimulus programs		117,556	-
Grants		261,714	-
Donation for next year		255,445	178,724
Program revenue - Schools		13,850	54,100
Other		15,381	17,387
		<u>870,509</u>	<u>399,770</u>
Total revenue		<u>896,771</u>	<u>421,941</u>
<b>Expenses</b>			
Program Expense - Creative		(9,414)	-
Program expenses - Bawoorroga		(58,956)	(75,501)
Program expenses - Schools		(7,310)	(6,179)
Program expenses - Cultural		(1,314)	-
Program expenses - Justice		(2,682)	(4,123)
Finance costs	4	(15,004)	(13,815)
Accounting fees		(5,400)	(6,400)
Administration expenses		(15,120)	(9,743)
Bank fees		(1,539)	(2,442)
Board expenses		(210)	(17)
Professional services		-	(81,668)
Fundraising expenses		(1,101)	(3,115)
Insurance		(9,122)	(6,801)
Motor vehicle expenses		(20,877)	(22,551)
Depreciation and amortisation expense		(59,409)	(50,571)
Social enterprise expenses		(24,763)	(5,590)
Rent		-	(15,600)
Travel		(13,219)	(2,407)
Uniforms/PPE		(260)	(889)
Employment		(362,528)	(288,829)
Total expenses		<u>(608,228)</u>	<u>(596,241)</u>
<b>Surplus/(deficit) for the year</b>	16	288,543	(174,300)
Other comprehensive income for the year		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>288,543</u></u>	<u><u>(174,300)</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**Foundation for Indigenous Sustainable Health Ltd**  
**Statement of financial position**  
**As at 30 June 2020**

	Note	2020 \$	2019 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	195,883	5,191
Trade and other receivables	6	61,657	1,041
Inventories	7	18,621	18,903
Other	8	3,916	3,916
Total current assets		<u>280,077</u>	<u>29,051</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	229,620	258,923
Right-of-use assets	10	17,778	-
Total non-current assets		<u>247,398</u>	<u>258,923</u>
<b>Total assets</b>		<u>527,475</u>	<u>287,974</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	77,698	126,016
Borrowings	12	136,440	170,879
Lease liabilities		15,524	-
Employee benefits	13	34,296	20,501
Total current liabilities		<u>263,958</u>	<u>317,396</u>
<b>Non-current liabilities</b>			
Lease liabilities		2,692	-
Employee benefits	14	3,333	1,629
Total non-current liabilities		<u>6,025</u>	<u>1,629</u>
<b>Total liabilities</b>		<u>269,983</u>	<u>319,025</u>
<b>Net assets/(liabilities)</b>		<u>257,492</u>	<u>(31,051)</u>
<b>Equity</b>			
Reserves	15	255,445	-
Retained surpluses/(accumulated deficits)	16	2,047	(31,051)
<b>Total equity/(deficiency)</b>		<u>257,492</u>	<u>(31,051)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

**Foundation for Indigenous Sustainable Health Ltd**  
**Statement of changes in equity**  
**For the year ended 30 June 2020**

	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total deficiency in equity \$</b>
Balance at 1 July 2018	-	143,249	143,249
Deficit for the year	-	(174,300)	(174,300)
Other comprehensive income for the year	-	-	-
	-	(174,300)	(174,300)
Total comprehensive income for the year	-	(174,300)	(174,300)
Balance at 30 June 2019	-	(31,051)	(31,051)

	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2019	-	(31,051)	(31,051)
Surplus for the year	-	288,543	288,543
Other comprehensive income for the year	-	-	-
	-	288,543	288,543
Total comprehensive income for the year	-	288,543	288,543
Transfer to reserves	255,445	(255,445)	-
Balance at 30 June 2020	255,445	2,047	257,492

The above statement of changes in equity should be read in conjunction with the accompanying notes

**Foundation for Indigenous Sustainable Health Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2020**

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		702,998	427,800
Payments to suppliers and employees (inclusive of GST)		<u>(486,449)</u>	<u>(460,522)</u>
Net cash from/(used in) operating activities	20	<u>216,549</u>	<u>(32,722)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(207,953)	(251,439)
Proceeds from disposal of property, plant and equipment		<u>221,659</u>	<u>233,672</u>
Net cash from/(used in) investing activities		<u>13,706</u>	<u>(17,767)</u>
<b>Cash flows from financing activities</b>			
Proceeds/(repayment) of borrowings		<u>(34,439)</u>	39,866
Net cash from/(used in) financing activities		<u>(34,439)</u>	39,866
Net increase/(decrease) in cash and cash equivalents		195,816	(10,623)
Cash and cash equivalents at the beginning of the financial year		<u>(13,353)</u>	<u>(2,730)</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>182,463</u></u>	<u><u>(13,353)</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes



**Foundation for Indigenous Sustainable Health Ltd**  
**Notes to the financial statements**  
**30 June 2020**

**Note 1. Significant accounting policies**

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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

*AASB 15 Revenue from Contracts with Customers*

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

**Foundation for Indigenous Sustainable Health Ltd**  
**Notes to the financial statements**  
**30 June 2020**

**Note 1. Significant accounting policies (continued)**

*AASB 16 Leases*

The Company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the Statement of financial position.

Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). For classification within the Statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Foundation for Indigenous Sustainable Health Ltd has elected to apply the modified retrospective transition approach, with no restatement of comparative financial information. On transition, lease liabilities have been recognised by discounting remaining payments payable under lease arrangements using an appropriate incremental borrowing rate. Right of use assets were recognised equivalent to the corresponding lease liabilities, adjusted for prepaid lease payments and accrued lease payments

**Practical expedients and exemptions**

Foundation for Indigenous Sustainable Health Ltd has elected to make use of the following practical expedients and exemptions available under AASB 16:

- With the exception of existing finance leases, to measure the right of use assets on transition at an amount equal to the lease liability (adjusted for prepaid or accrued lease payments)
- Not to recognise low-value or short term leases on the balance sheet. The cost of these lease arrangements will continue to be expensed
- To reflect the impairment of right of use asset on transition by adjusting their carrying amounts of onerous lease provisions recognised on Foundation for Indigenous Sustainable Health Ltd's balance sheet as at 30 June 2020
- To use hindsight in assessing the lease term on initial adoption of the standard
- To exclude the initial direct costs when measuring the right of use assets recognised on initial adoption of the standard
- To apply a single discount rate to portfolios of leases with characteristics which we have been assessed to be reasonably similar

Based on the transition approach and the practical expedients used, the initial application of AASB 16 as at 1 July 2019 resulted in recording in the statement of financial position, right-of-use assets and lease liabilities of \$33,303 for Foundation for Indigenous Sustainable Health Ltd.

The net effects of the application of this standard on the financial statements ending 30 June 2020 are summarised as below:

Group of accounts	Before adjustment	Adjustment - increase/(decrease)	After adjustment
Total assets	509,697	17,778	527,475
Total liabilities	15,524	15,524	269,984
Total expenses	607,790	438	608,228

**Foundation for Indigenous Sustainable Health Ltd**  
**Notes to the financial statements**  
**30 June 2020**

**Note 1. Significant accounting policies (continued)**

*AASB 1058 Income of Not-for-Profit Entities*

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

*Impact of adoption*

AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

**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 and Corporations Act 2001 and associated regulations. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Foundation for Indigenous Sustainable Health 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, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*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.



**Foundation for Indigenous Sustainable Health Ltd**  
**Notes to the financial statements**  
**30 June 2020**

**Note 1. Significant accounting policies (continued)**

**Revenue recognition**

The company recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Sale of goods*

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

*Rendering of services*

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

*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.

**Foundation for Indigenous Sustainable Health Ltd**  
**Notes to the financial statements**  
**30 June 2020**

**Note 1. Significant accounting policies (continued)**

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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

**Inventories**

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Property, plant and equipment**

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:

Plant and equipment	3-7 years
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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.

**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.



**Foundation for Indigenous Sustainable Health Ltd**  
**Notes to the financial statements**  
**30 June 2020**

**Note 1. Significant accounting policies (continued)**

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**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.

**Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**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.

**Foundation for Indigenous Sustainable Health Ltd**  
**Notes to the financial statements**  
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**Note 1. Significant accounting policies (continued)**

**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.

**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 2020. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**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. 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.

***Coronavirus (COVID-19) pandemic***

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

**Foundation for Indigenous Sustainable Health Ltd**  
**Notes to the financial statements**  
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**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Provision for impairment of inventories*

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

*Estimation of useful lives of assets*

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

*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.

**Note 3. Trading income**

	2020 \$	2019 \$
Social enterprise sales	27,108	23,882
Cost of sales	(846)	(1,711)
	<u>26,262</u>	<u>22,171</u>

**Note 4. Finance costs**

	2020 \$	2019 \$
ATO - Interest charges	236	111
Borrowing costs	3,170	2,960
Interest expense - CBA	2,498	1,496
Motor vehicle interest expenses	9,100	9,248
	<u>15,004</u>	<u>13,815</u>



**Foundation for Indigenous Sustainable Health Ltd**  
**Notes to the financial statements**  
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**Note 5. Current assets - cash and cash equivalents**

	2020 \$	2019 \$
Cash on hand	40	40
Cash at bank	195,843	5,151
	<u>195,883</u>	<u>5,191</u>

*Reconciliation to cash and cash equivalents at the end of the financial year*

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	195,883	5,191
Bank overdraft (note 12)	<u>(13,420)</u>	<u>(18,544)</u>
Balance as per statement of cash flows	<u>182,463</u>	<u>(13,353)</u>

**Note 6. Current assets - trade and other receivables**

	2020 \$	2019 \$
Trade receivables	627	1,041
Accrued income	61,030	-
	<u>61,657</u>	<u>1,041</u>

**Note 7. Current assets - inventories**

	2020 \$	2019 \$
Stock on hand - at cost	<u>18,621</u>	<u>18,903</u>

**Note 8. Current assets - other**

	2020 \$	2019 \$
Borrowing cost	916	916
CBA - Security deposit	<u>3,000</u>	<u>3,000</u>
	<u>3,916</u>	<u>3,916</u>

**Foundation for Indigenous Sustainable Health Ltd**  
**Notes to the financial statements**  
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**Note 9. Non-current assets - property, plant and equipment**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Plant and equipment - at cost	180,523	180,523
Less: Accumulated depreciation	<u>(37,417)</u>	<u>(20,796)</u>
	<u>143,106</u>	<u>159,727</u>
Motor vehicles - at cost	93,659	107,366
Less: Accumulated depreciation	<u>(7,145)</u>	<u>(8,170)</u>
	<u>86,514</u>	<u>99,196</u>
	<u><u>229,620</u></u>	<u><u>258,923</u></u>

**Note 10. Non-current assets - right-of-use assets**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Land and buildings - right-of-use	33,303	-
Less: Accumulated depreciation	<u>(15,525)</u>	<u>-</u>
	<u>17,778</u>	<u>-</u>

**Note 11. Current liabilities - trade and other payables**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trade payables	12,668	40,117
Accrued expenses	15,705	56,935
Grants in advance	24,649	-
Other payables	<u>24,676</u>	<u>28,964</u>
	<u><u>77,698</u></u>	<u><u>126,016</u></u>

**Note 12. Current liabilities - borrowings**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Bank overdraft	13,420	18,544
Interest bearing	105,182	120,097
Related party loan - non-interest bearing	<u>17,838</u>	<u>32,238</u>
	<u><u>136,440</u></u>	<u><u>170,879</u></u>

**Note 13. Current liabilities - employee benefits**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Annual leave	<u>34,296</u>	<u>20,501</u>

**Foundation for Indigenous Sustainable Health Ltd**  
**Notes to the financial statements**  
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**Note 14. Non-current liabilities - employee benefits**

	2020 \$	2019 \$
Long service leave	3,333	1,629

**Note 15. Equity - reserves**

	2020 \$	2019 \$
Donation for next year	255,445	-

*Donation for next year*

{please provide brief explanation}

**Note 16. Equity - retained surpluses/(accumulated deficits)**

	2020 \$	2019 \$
Retained surpluses/(accumulated deficits) at the beginning of the financial year	(31,051)	143,249
Surplus/(deficit) for the year	288,543	(174,300)
Transfer to reserves	(255,445)	-
Retained surpluses/(accumulated deficits) at the end of the financial year	2,047	(31,051)

**Note 17. Related party transaction**

*Related party loan*

Refer to non interest bearing liabilities (note 11), the loans received from related party(s) of Foundation for Indigenous Sustainable Health Ltd are on terms more favorable to Foundation for Indigenous Sustainable Health Ltd than normal market rates.

**Note 18. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by, the auditor of the company:

	2020 \$	2019 \$
<i>Other services -</i>		
Review of the financial statements	2,900	2,900

**Foundation for Indigenous Sustainable Health Ltd**  
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**Note 19. Events after the reporting period**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the incorporated association up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 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 20. Reconciliation of surplus/(deficit) to net cash from/(used in) operating activities**

	2020 \$	2019 \$
Surplus/(deficit) for the year	288,543	(174,300)
Adjustments for:		
Depreciation and amortisation	59,409	50,571
Write off of non-current assets	(28,288)	(32,378)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(60,616)	5,859
Decrease in inventories	282	1,494
Increase in other operating assets	(9,963)	-
Increase/(decrease) in trade and other payables	(48,317)	93,902
Increase in employee benefits	15,499	22,130
Net cash from/(used in) operating activities	<u>216,549</u>	<u>(32,722)</u>