

Financial Report

For the Year Ended 30 June 2022

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Tasmanian Aboriginal Corporation

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Tasmanian Aboriginal Corporation

ABN 48 212 321 102 ICN 8554

Directors Report for the financial year ended 30 June 2022

Governing body

The Board Directors and the meetings they attended are shown below.

Name	Board Meetings	
	Number eligible to attend	Number attended
Michael Beeton	6	4
Leah Cameron- Brown	6	6
Graeme Gardner	6	6
Darfene Mansell	6	6
Lucas Maynard	6	6
Jillian Mundy	6	5
Brendan Murray	5	2
Annette Peardon	6	5
Michelle Purdy (from December 2021)	4	3
Candy Bartlett (Resigned December 2021)	2	0

Directors' meetings were held as required by the Rule Book. Sub-committee meetings consisting of Risk and Finance which has been expanded to include Legal and Investment were held at least quarterly throughout the year.

The Corporation secretary, since February 2017, is the Chief Executive Officer, Heather Sculthorpe.

Qualifications and experience of directors and secretary

One Director is a lawyer who operates her own law firm nationally; one Director was the Chairperson of the Tasmanian Regional Council of ATSIC and a Board member of several Tasmanian Aboriginal organizations; one Director was the long-term manager of an island Aboriginal organization and later the long term manager of a regional office of the TAC and the public spokesperson for the Stolen Generations in Tasmania; one Director was the principal youth worker and program manager of the Alternative to Detention program in northern Tasmania; one Director has been the long-term correspondent for a national Aboriginal newspaper; one Director was the principal spokesperson and organizer for a northern regional Aboriginal organization and a partner in a wildlife enterprise; one member works in Aboriginal Support at TAFE and has a Federal leadership role with a peak education body.

All Directors also have long experience in Tasmanian Aboriginal community affairs. The current Chair has many years of senior Management experience and the Corporation Secretary is a former lawyer, and Graduate of the Institute of Company Directors with many years corporate experience.

Description of corporation's activities

The Corporation provides health and mainly health-related services to the Aboriginal community in Tasmania. Services provided include GP clinics, health promotion, children's services, aged care program, family support services, youth programs, an Aboriginal children's centre providing long day care and related services, land management activities including the administration of Indigenous Protected Areas and Working on Country services, cultural and emotional and social wellbeing projects including a counselling service, the palawa kani Aboriginal language program, Registered Training Organisation, NAIDOC activities, cultural and music festivals and on-country walks and camps. TAC is the Tasmanian representative on the national Coalition of Peak Bodies negotiating the Close the Gap campaign. Most services are free to the Aboriginal community except where Federal funding requires otherwise, child care for example. Fee for service arrangements apply for Cultural Awareness Training, Palawa kipli native food catering and education, Welcomes to Country and some land management work, including some Aboriginal burning projects.

Overview of business performance

The Corporation started the 2021/22 financial year with a net surplus of \$1,675,742 and net assets of \$29,154,480. The Corporation ended the year with a net surplus of \$6,354,383 and net assets of \$35,508,863.

Reasons for results and financial position

Government grants continued to be the Corporation's main source of funds. The Corporation's cash at bank position was increased by our acceptance of \$971,715 grant funds prepaid and relating to the 2022/23 year. Two freehold properties were acquired during the year. All freehold property assets were last revalued in June 2022. Property valuations increased by over 28% overall with an increase in Asset Revaluation Reserves of over \$4.3M representing 70% of the net surplus position for the year during this extraordinary period in the commercial property market. All freehold properties will next be revalued in June 2024.

Events since the end of the year

There are no events to report.

Future developments

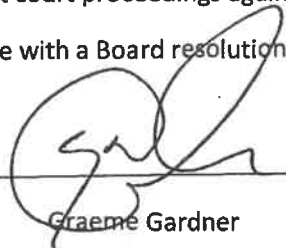
A major development in the corporation's operations in 2022/23 financial year is the possible purchase of a primary production business and possible partnering with a service industry business.

Court proceedings

There are no current court proceedings against or by the corporation.

Signed in accordance with a Board resolution:

Chairperson: _____



Graeme Gardner

Dated: 30 August 2022

Tasmanian Aboriginal Corporation

Statement of Comprehensive Income

For the Year Ended 30 June 2022

		2022	2021
		\$	\$
	Note		
Income			
Grants	2	13,894,095	12,776,431
Gain on the Disposal of Assets		34,447	0
Fees & Other Income		5,395,861	4,511,964
Interest		38,104	64,035
Total Income		<u>19,362,507</u>	<u>17,352,430</u>
Expenditure			
Salaries and Employment Costs		12,610,692	11,066,231
Travel		416,164	402,192
Vehicle Costs		509,524	476,264
Resources, Materials, Supplies		1,188,188	1,102,361
Professional & Consultancy Costs		1,220,727	1,294,466
Miscellaneous Program Expenses		77,020	52,710
Occupancy & Utilities		600,095	585,370
Repairs & Maintenance		235,279	202,985
Insurances		161,281	141,287
Depreciation for the Year	1 (b)	312,521	325,141
Loss on Revaluation of Assets		280,020	0
Interest Expense		26,269	27,681
Total Expenditure		<u>17,637,780</u>	<u>15,676,688</u>
Net surplus/(deficit) for the financial year		<u>1,724,727</u>	<u>1,675,742</u>
Asset Revaluation Reserve Movement			
Revaluation Increments		<u>4,629,656</u>	0
Total Asset Revaluation Reserve Movement		<u>4,629,656</u>	0
Total Comprehensive Income		<u>6,354,383</u>	<u>1,675,742</u>

Tasmanian Aboriginal Corporation

Statement of Financial Position

As at 30 June 2022

		2022	2021
		\$	\$
ASSETS	Note		
Current assets			
Cash at Bank	3	20,074,802	17,953,252
Trade & Other Receivables	4	333,480	174,058
Prepayments	5	120,071	87,601
Total Current Assets		<u>20,528,353</u>	<u>18,214,911</u>
Non-current Assets			
Goodwill	6	56,650	56,650
Right of Use Asset	7	551,000	684,335
Property, plant and equipment	8	22,040,107	16,171,410
Total Non-current Assets		<u>22,647,757</u>	<u>16,912,395</u>
TOTAL ASSETS		<u><u>43,176,110</u></u>	<u><u>35,127,306</u></u>
LIABILITIES			
Current liabilities			
Trade & Other Payables	9	495,829	309,221
Grants in Advance	10	3,474,632	1,580,865
Service Income in Advance	11	128,764	584,740
Staff Leave Accruals & Provisions	12	2,598,346	2,370,641
Lease Liability - Current	14	168,180	163,112
Total Current Liabilities		<u>6,865,751</u>	<u>5,008,579</u>
Non-current Liabilities			
Staff Leave Provisions	13	418,676	443,024
Operating Lease Commitment	14	382,820	521,223
Total Non-current Liabilities		<u>801,496</u>	<u>964,247</u>
TOTAL LIABILITIES		<u><u>7,667,247</u></u>	<u><u>5,972,826</u></u>
NET ASSETS		<u><u>35,508,863</u></u>	<u><u>29,154,480</u></u>
EQUITY			
Accumulated Funds		<u>35,508,863</u>	<u>29,154,480</u>
TOTAL EQUITY		<u><u>35,508,863</u></u>	<u><u>29,154,480</u></u>

Tasmanian Aboriginal Corporation

Statement of Changes in Equity

For the Year Ended 30 June 2022

2022

Accumulated
Funds

\$

Retained Earnings	23,700,652
Asset Revaluation Reserve	5,453,828
Balance at 1 July 2020	29,154,480
Movement in Asset Revaluation Reserve	4,629,656
Net profit/(loss) for year	1,724,727
Balance at 30 June 2021	35,508,863

2021

Retained Earnings	22,024,910
Asset Revaluation Reserve	5,453,828
Balance at 1 July 2019	27,478,738
Movement in Asset Revaluation Reserve	0
Net profit/(loss) for year	1,675,742
Balance at 30 June 2020	29,154,480

Tasmanian Aboriginal Corporation

Cash Flow Statement

For the Year Ended 30 June 2022

	2022	2021
	\$	\$
	Note	
Cash from operating activities:		
Grants received	15,787,862	12,835,183
Payments to suppliers and employees	(17,140,966)	(14,558,662)
Other Income	5,395,861	4,511,964
Interest received	38,104	64,035
Net GST/PAYG refunded/(paid)	(127,729)	24,159
Net cash provided by (used in) operating activities	15 <u>3,953,132</u>	<u>2,876,679</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	<u>(1,831,582)</u>	(759,830)
Net cash provided by (used in) investing activities	<u>(1,831,582)</u>	(759,830)
Net increase/(decrease) in cash held	2,121,550	2,116,849
Cash at beginning of financial year	<u>17,953,252</u>	15,836,403
Cash at end of financial year	3 <u><u>20,074,802</u></u>	<u><u>17,953,252</u></u>

Tasmanian Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2022

1 Statement of Significant Accounting Policies

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth) (CATSI Act). 2017 was the first year of reporting under this new legal framework. The Corporation is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

Accounting Policies

a) Revenue

Grant and service revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant or service and it is probable that the economic benefits gained from the grant or service will flow to the entity and the amount of the grant or service can be measured reliably.

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

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

Donations, bequests and interest are recognised as revenue when received.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

b) Property, Plant and Equipment & Goodwill

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

Tasmanian Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2022

Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Entity includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Entity and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

Revaluation

Revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 inputs in the fair value hierarchy).

With regards to independent valuations of land and buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

Land and Buildings

Land and buildings are shown at their fair value based on periodic valuations by external independent valuers less subsequent depreciation for buildings.

In periods when land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

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

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

Tasmanian Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2022

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

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

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, are depreciated on a diminishing value basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Land and Buildings	nil
Plant and equipment	13.33% - 50%
Motor vehicles	25%
Software	50%
Improvements on Aboriginal land	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Goodwill

The goodwill reflects the purchase of the palawa kipli business in the 2020 financial year.

Capitalisation Threshold

Expenditure on items of equipment under \$2,000 is not capitalised.

Tasmanian Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2022

c) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the corporation commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to statement of comprehensive income immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired.

Tasmanian Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2022

De-recognition

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

d) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

Where it is not possible to estimate the recoverable amount of a class of assets, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

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

e) Leases

At the inception of a contract, the entity assesses whether a contract is, or contains, a lease.

Where a lease is present, the entity recognises a right-of-use asset and a corresponding lease liability at the date of the commencement of the lease. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, together with any payments made prior to the lease commencement date, any initial direct costs, and an estimate of any costs associated with the requirements to restore the leased asset to its original condition. Any lease incentives received are deducted from the cost of the asset.

The right-of-use asset is subsequently depreciated on a straight-line basis over the term of the lease of, if shorter, the useful economic life of the asset. The estimated useful economic life of the asset is determined on the same basis as similar assets within property, plant and equipment.

Tasmanian Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2022

The lease liability is measured at amortised cost using the straight line method. The lease liability, and the corresponding right-of-use asset, is remeasured when there is a change in future lease payments arising from a change in the entity's assessment of whether it is reasonably certain to exercise any renewal or termination option. If the carrying amount of the right-of-use asset has been reduced to zero, any change to the lease liability is recorded in profit or loss.

f) Employee Benefits

Short-Term Employee Benefits

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

The Corporation's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current provisions in the statement of financial position.

Other Long-Term Employee Benefits

Provision is made for employees' long service leave not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. The Corporation's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Corporation does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO. The GST component of financing and investing activities which is recoverable from, or payable to, the ATO is classified as a part of operating cash flows. Accordingly, investing and financing cash flows are presented in the statement of cash flows net of the GST that is recoverable from, or payable to, the ATO.

Tasmanian Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2022

i) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

j) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

Due to the change of legal framework under which TAC operates, there may be some adjustments of disclosure of some comparative numbers.

l) Trade and Other Payables

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

m) Economic Dependence

The Entity is dependent on the grants from Government for the majority of its revenue used to operate the business. At the date of this report the Board of Directors believes that adequate funding will continue to enable the entity to continue operations.

Auditors

Remuneration of the auditor of the Tasmanian Aboriginal Corporation, Bentleys Tasmania, for: auditing the financial reports \$17,900.

Tasmanian Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2022

	2022	2021
	\$	\$
2 Grants		
Department of Education, Skills and Employment	807,210	822,481
Department of Health	5,700,502	5,798,131
National Indigenous Australians Agency	4,833,046	2,641,024
Office for the Arts	<u>455,000</u>	<u>300,000</u>
Sub Total - Commonwealth Government Grants	11,795,758	9,561,636
State Government Grants	1,427,228	916,515
Other Government Department and Other Agency Grants	2,564,876	2,357,032
Decrease/(increase) in grants in advance movement	<u>(1,893,767)</u>	<u>(58,752)</u>
	<u><u>13,894,095</u></u>	<u><u>12,776,431</u></u>
3 Cash at Bank		
Cash at bank	<u>20,074,802</u>	<u>17,953,252</u>
	<u><u>20,074,802</u></u>	<u><u>17,953,252</u></u>
4 Trade & Other Receivables		
Trade Receivables	<u>333,480</u>	<u>174,058</u>
	<u><u>333,480</u></u>	<u><u>174,058</u></u>
5 Prepayments		
Prepaid Insurance	108,926	87,601
Prepaid Utilities	<u>11,145</u>	<u>0</u>
	<u><u>120,071</u></u>	<u><u>87,601</u></u>
6 Goodwill		
Business Goodwill	<u>56,650</u>	<u>56,650</u>
	<u><u>56,650</u></u>	<u><u>56,650</u></u>
7 Right of Use Asset		
Right to use Asset	838,261	806,456
Amortisation of Right of Use Asset	<u>(287,261)</u>	<u>(122,121)</u>
	<u><u>551,000</u></u>	<u><u>684,335</u></u>

Tasmanian Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2022

		2022	2021
		\$	\$
8	Property Plant and Equipment		
	Freehold Land & Buildings		
	At revaluation	21,425,000	14,880,000
	At cost - building improvements	0	452,028
	Total Freehold Land & Buildings	<u>21,425,000</u>	<u>15,332,028</u>
	Improvements on Aboriginal Land		
	At cost	4,393,008	4,393,008
	Less: accumulated depreciation	(4,240,486)	(4,138,805)
	Total Improvements on Aboriginal Land	<u>152,522</u>	<u>254,203</u>
	Motor Vehicles		
	At cost	1,075,128	1,082,636
	Less: accumulated depreciation	(832,551)	(797,970)
	Total Motor Vehicles	<u>242,577</u>	<u>284,666</u>
	Plant & Equipment		
	At cost	1,333,691	1,378,018
	Less: accumulated depreciation	(1,122,260)	(1,082,217)
	Total Plant & Equipment	<u>211,431</u>	<u>295,801</u>
	Software		
	At cost	70,851	58,851
	Less: accumulated depreciation	(62,274)	(54,139)
	Total Software	<u>8,577</u>	<u>4,712</u>
	Total Property, Plant and Equipment	<u>22,040,107</u>	<u>16,171,410</u>

Property Plant and Equipment (continued)

	Freehold Land and Buildings	Impts on Ab Land	Motor Vehicles
Movements in Carrying Amounts			
Balance at beginning of year	15,332,028	254,203	284,666
Asset Revaluations Gain	4,629,656		
Additions	1,743,336	0	68,670
Disposals (Net)			(11,442)
Asset Revaluations Loss	(280,020)		
Depreciation		(101,681)	(99,317)
Carrying amount at end of year	<u>21,425,000</u>	<u>152,522</u>	<u>242,577</u>

Movements in Carrying Amounts (continued)

	Plant & Equipment	Software	Total
Movements in Carrying Amounts (continued)			
Balance at beginning of year	295,801	4,712	16,171,410
Asset Revaluations			4,629,656
Additions	19,018	12,000	1,843,024
Disposals (Net)			(11,442)
Asset Revaluations Loss			(280,020)
Depreciation	(103,388)	(8,135)	(312,521)
Carrying amount at end of year	<u>211,431</u>	<u>8,577</u>	<u>22,040,107</u>

Tasmanian Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2022

8 Property, Plant & Equipment continued

Freehold Property - Asset Revaluations

All freehold properties were last independently revalued at June 2022

The fair value of the Corporation's freehold properties at 30 June 2022 has been arrived at \$21,425,000 on the basis of valuations carried out June 2022 by Acumentis, independent valuers not connected with the Corporation.

Freehold Property - Encumbrances

The following assets have encumbrances against them, valued at \$869,117, as detailed below; Encumbrances are against freehold property where the Commonwealth Department of Health has provided capital upgrade grant funding and have a reducing financial interest in the property.

56 Patrick Street, Hobart: \$504,862; A reducing financial interest to the Commonwealth Department of Health.

32 Frederick Street (182 Charles Street), Launceston: \$358,922; A reducing financial interest to the Commonwealth Department of Health.

36 Frederick Street, Launceston: \$5,333; A reducing financial interest to the Commonwealth Department of Health.

Tasmanian Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2022

	2022	2021
	\$	\$
9		
Trade and Other Payables		
Trade payables	142,117	139,414
Payroll Payable	102,579	46,403
PAYG payable	83,820	64,498
GST payable/(refundable)	167,313	58,906
	<u>495,829</u>	<u>309,221</u>
10		
Grants in Advance		
Department of Education, Skills and Employment	463,709	488,781
Department of Health	597,056	461,665
National Indigenous Australians Agency	1,219,435	69,578
Office for the Arts	154,879	0
Sub Total - Commonwealth Government Grants	2,435,079	1,020,024
State Government Grants	713,868	336,349
Other Agency Grants	325,685	224,492
	<u>3,474,632</u>	<u>1,580,865</u>
11		
Service Income in Advance		
Home Care Package Client Funds	128,764	584,740
	<u>128,764</u>	<u>584,740</u>
12		
Employee Leave Accruals & Provisions (Current Liability)		
Annual Leave, Personal Leave & Long Service Leave	2,598,346	2,370,641
	<u>2,598,346</u>	<u>2,370,641</u>
13		
Employee Leave Provisions (Non-Current Liability)		
Long Service Leave	418,676	443,024
	<u>418,676</u>	<u>443,024</u>
14		
Lease Liability		
Lease Liability - Current	168,180	163,112
Lease Liability - Non Current	382,820	521,223
	<u>551,000</u>	<u>684,335</u>
15		
Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit		
Net surplus/(deficit) for the period	1,724,727	1,675,742
Non-cash flows in profit		
Depreciation	312,521	325,141
Changes in operating assets and liabilities:		
(Increase)/decrease in prepayments	(32,470)	10,032
(Increase)/decrease in trade receivables	(159,422)	(59,656)
Increase/(decrease) in trade payables and accruals	186,608	111,710
Increase/(decrease) in grants in advance	1,893,767	58,752
Increase/(decrease) in service income in advance	(455,976)	402,557
Increase/(decrease) in employee leave accruals & provisions	203,357	352,401
	<u>3,953,132</u>	<u>2,876,679</u>

Directors' Declaration

Directors' declaration for approving financial and Directors' reports under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act)

Corporation name: Tasmanian Aboriginal Corporation ICN: 8554

MINUTES OF DIRECTORS' MEETING - EXTRACT

Date: 30th August 2022

Location: Various locations by Microsoft Teams conferencing

Time: 2.30 pm

Present: Michael Beeton; Leah Cameron-Brown; Graeme Gardner; Jillian Mundy; Annette Peardon and Michelle Purdy.

Apologies: Lucas Maynard

Chairperson: Graeme Gardner


Quorum: A quorum of directors was present at all times during the meeting.

Resolution: The following resolution was passed by all of the directors attending the meeting.

THE DIRECTOR'S RESOLVED:

1. That in our opinion there are reasonable grounds to believe that the corporation will be able to pay its debts when they become due and payable;
2. That in our opinion the financial statements and notes are in accordance with the Corporations (Aboriginal and Torres Strait Islander) Regulations 2007 including:
 - Compliance with the accounting standards; and
 - Providing a true and fair view of the financial position and performance of the corporation.
3. To approve the Directors' Report made on 30 August 2022

Confirmed:



Graeme Gardner
Chairperson

Dated: 30 August 2022

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TASMANIAN ABORIGINAL CORPORATION

ABN: 48 212 321 102

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF THE TASMANIAN ABORIGINAL CORPORATION

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Bentleys Tasmania Audit Pty Ltd
Registered Audit Company



Michael Ian Derbyshire
Director

Date: 26 September 2022

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE TASMANIAN ABORIGINAL CORPORATION

Opinion

We have audited the general purpose financial report of the Tasmanian Aboriginal Corporation (the Entity), which comprises the balance sheet as at 30 June 2022, the profit and loss statement, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Entity is in accordance with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth) (CATSI Act)*, including:

- a) giving a true and fair view of the Entity's financial position as at 30 June 2022, and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth) (CATSI Act)*.

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 Entity 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 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 directors' financial reporting responsibilities under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth) (CATSI Act)*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth) (CATSI Act)* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Entity audit. We remain solely responsible for our audit opinion.

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



Bentleys Tasmania Audit Pty Ltd
Registered Audit Entity



Michael Ian Derbyshire
Director

Hobart

26 September 2022