

Annual Financial Report



Derbarl Yerrigan Health Service Inc.

ABN 60 824 221 416

30 June 2017

Derbarl Yerrigan Health Service Inc.

Annual Financial Report

For the Year Ended 30 June 2017

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Derbarl Yerrigan Health Service Inc. Directors Report For the Year Ended 30 June 2017

Your directors of Derbarl Yerrigan Health Service Inc. ("the Service") present their report together with the financial statements for the financial year ended 30 June 2017.

Directors

The names of each person who acted as a member of the board of directors during and since the end of the financial year are:

Name	Position	Qualifications/ Experience	Period of tenure (Board)
Edward Wilkes	Board Member	AO, BArtsSocSc	13/02/16 – 13/07/17
Laurence Riley	Board Member (Part Yr.)	Community Leader	21/01/14 – 22/09/16
Reginald Yarran	President (Part Yr.)	Community Leader	22/11/14 – 10/11/16
John Penny	Treasurer (Part Yr.)	Cert IV Career Development; Employment Services; Project Management; Mentoring; Governance	22/11/14 – 26/08/17
Michelle Nelson-Cox	Board Member	BArtsComm Mgmt, BSocScIndigServ	22/11/14 – Present
Colin Garlett	Board Member (Part Yr.) & Secretary (Part Yr.)	BAppSc; BHLthSci	22/11/14 – 26/08/17
Sharon Bushby	Board Member	BAppSc; MPH	22/11/14 – 26/08/17
Ted Hart	Board Member	Community Leader	21/01/14 – 26/08/17
Robert Smith	Board Member	AssocDIndigContArt	01/12/16 – 26/08/17
Patrick Smith	Board Member	AssocDIndigCommMgmtDev	11/09/15 – 26/08/17
Deanne Lewis	Vice President	BAppScIndCommHealth	13/02/16 – 26/08/17
Charne Hayden	Secretary (Part Yr.) & President (Part Yr.)	AssDIndCommMgmtDev, Cert IV BusGov, Cert IV TAA	13/02/16 – 26/08/17
Kevin Cox	Board Member (Part Yr.) & Secretary (Part Yr.)	Community Leader	13/02/16 – 30/01/17
Kerry Hunt	Board Member	Community Leader	01/12/16 - Present
Jacqueline Oakley	President	-	26/08/17 - Present
Francine Eades	Vice President	-	26/08/17 - Present
Louise Tucker	Secretary	-	26/08/17 - Present
Marley Nelson	Board Member	-	26/08/17 - Present
Dorothy Henry	Board Member	-	26/08/17 - Present
Fabian Yarran	Board Member	-	26/08/17 - Present
Roger Turvey	Board Member	-	26/08/17 - Present
Barbara McGillivray	Board Member	-	26/08/17 - Present
Greg Ugle	Board Member	-	26/08/17 - Present

Principal Activities

The principal activity of Derbarl Yerrigan Health Service Inc. (the "Service") during the financial year was the provision of primary health care services and associated health programs to the Aboriginal Community.

No significant changes in the nature of these activities occurred during the financial year.

Derbarl Yerrigan Health Service Inc.

Directors Report

For the Year Ended 30 June 2017

Operating Results

The entity recorded a Loss of \$824,104 (2016: Loss \$303,210) as reported in the Statement of Profit or Loss and Other Comprehensive Income. This loss is primarily the result of the Service continuing to operate the Elizabeth Hansen Autumn Care Centre despite the fact that external funding previously provided ceased in June 2016.

Significant Changes in State of Affairs

On the 7th of April 2017, upon request from the Australian Government Department of Health ('Commonwealth'), the Service entered into a Deed of Agreement which appointed the Aboriginal Health Council of Western Australia ('AHCWA') as the external body who would manage the day to day operations of the Service, provide governance and leadership to the Service and oversee and administer all compliance and regulatory obligations.

Further to this, the Commonwealth and the Western Australian Government State Department of Health ('State') also requested that the Service relinquish all rights and responsibilities under the Corporation's Head Agreement for Multi-Project Funding Agreement 2015 – 2018 with the Commonwealth, as well as the Corporation's agreements for the WA Footprints to Better Health and Primary Health Care Program with the State to AHCWA. These rights and responsibilities were relinquished through a separate Deed of Novation with the Commonwealth and the State which were executed on the 28th of April 2017 and 21st of June 2017 respectively.

On the 24th of June 2017, a Special General Meeting was held where the members of the Service approved the decision to transition the Service to being incorporated under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* ("CATSI Act") from the *Associations Incorporation Act 2015 (WA)*.

The service's registration was approved and the organisation is incorporated under the CATSI Act as of the 9th of October 2017.

Future Developments

As noted earlier, for the next two years AHCWA has been appointed to manage the day to day operations of the Service, provide governance and leadership to the Service and oversee and administer all compliance and regulatory obligations.

Environmental Issues

The Service's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Information on Board of Directors

Note that information on eligibility to attend meetings is provided only for full Board meetings and meetings of the Executive Committee. Attendance of other meetings is varied and dependent on selection for committees as well as availability. Therefore for these other meetings only attendance has been shown.

The number of Board meetings held for the year ended 30 June 2017 was 30.

Name	Position	Current Period of tenure (Board)	Meetings July'16- Jun '17	
			No. eligible to attend	Number attended
Edward Wilkes	Board Member	13/02/16 – 13/07/17	30	23
Laurence Riley	Board Member (Part Yr.)	21/01/14 – 22/09/16	7	7
Reginald Yarran	President (Part Yr.)	22/11/14 – 10/11/16	10	6
John Penny	Treasurer (Part Yr.)	22/11/14 – 26/08/17	30	30
Michelle Nelson-Cox	Board Member	22/11/14 – Present	30	24
Colin Garlett	Board Member (Part Yr.) & Secretary (Part Yr.)	22/11/14 – 26/08/17	30	26

Derbarl Yerrigan Health Service Inc.
Directors Report
For the Year Ended 30 June 2017

Name	Position	Current Period of tenure (Board)	Meetings July'16- Jun '17	
			No. eligible to attend	Number attended
Sharon Bushby	Board Member	22/11/14 – 26/08/17	30	26
Ted Hart	Board Member	21/01/14 – 26/08/17	30	10
Robert Smith	Board Member	01/12/16 – 26/08/17	20	11
Patrick Smith	Board Member	11/09/15 – 26/08/17	30	27
Deanne Lewis	Vice President	13/02/16 – 26/08/17	30	29
Charne Hayden	Secretary (Part Yr.) & President (Part Yr.)	13/02/16 – 26/08/17	30	30
Kevin Cox	Board Member (Part Yr.) & Secretary (Part Yr.)	13/02/16 – 30/01/17	14	9
Kerry Hunt	Board Member	01/12/16 - Present	20	19

The dates for these meetings were: 01/07/2016 ; 15/07/2016 ; 28/07/2016 ; 10/08/2016 ; 30/08/2016 ; 02/09/2016 ; 22/09/2016 ; 04/10/2016 ; 20/10/2016 ; 10/11/2016 ; 01/12/2016 ; 12/01/2017 ; 19/01/2017 ; 31/01/2017 ; 06/02/2017 ; 21/02/2017 ; 01/03/2017 ; 09/03/2017 ; 15/03/2017 ; 23/03/2017 ; 30/03/2017 ; 03/04/2017 ; 06/04/2017 ; 11/04/2017 ; 19/04/2017 ; 26/04/2017 ; 03/05/2017 ; 24/05/2017 ; 07/06/2017 ; 21/06/2017.

The number of Executive meetings held for the year ended 30 June 2017 was 2. The President, Vice President, Secretary and Treasurer are ordinarily eligible to attend Executive meetings. In some instances where the usual Executive Committee Members were not available an ordinary Board Member may have been nominated to attend one of these meetings.

Name	Position	Current Period of tenure (Board)	Meetings July'16- Jun '17	
			No. eligible to attend	Number attended
John Penny	Treasurer (Part Yr.)	22/11/14 – 26/08/17	2	2
Colin Garlett	Board Member (Part Yr.) & Secretary (Part Yr.)	22/11/14 – 26/08/17	0	1
Sharon Bushby	Board Member	22/11/14 – 26/08/17	0	1
Deanne Lewis	Vice President	13/02/16 – 26/08/17	2	2
Charne Hayden	Secretary (Part Yr.) & President (Part Yr.)	13/02/16 – 26/08/17	2	2
Kevin Cox	Board Member (Part Yr.) & Secretary (Part Yr.)	13/02/16 – 30/01/17	1	1

The dates for these meetings were: 13/10/2016; 05/01/2017.

There was 1 Finance Sub- Committee meeting held for the year ended 30 June 2017.

Name	Position	Current Period of tenure (Board)	Meetings July'16- Jun '17
			Number attended
John Penny	Treasurer (Part Yr.)	22/11/14 – 26/08/17	1
Charne Hayden	Secretary (Part Yr.) & President (Part Yr.)	13/02/16 – 26/08/17	1

The date of this meeting was: 10/08/2016.

The number of conference days for OCHRE Day held for the year ended 30 June 2017 were 3.

Derbarl Yerrigan Health Service Inc.
Directors Report
For the Year Ended 30 June 2017

			Meetings July'16- Jun '17
Name	Position	Current Period of tenure (Board)	Number attended
Edward Wilkes	Board Member	13/02/16 – 13/07/17	-
Laurence Riley	Board Member (Part Yr.)	21/01/14 – 22/09/16	3
Reginald Yarran	President (Part Yr.)	22/11/14 – 10/11/16	-
John Penny	Treasurer (Part Yr.)	22/11/14 – 26/08/17	1
Michelle Nelson-Cox	Board Member	22/11/14 – Present	-
Colin Garlett	Board Member (Part Yr.) & Secretary (Part Yr.)	22/11/14 – 26/08/17	1
Sharon Bushby	Board Member	22/11/14 – 26/08/17	-
Ted Hart	Board Member	21/01/14 – 26/08/17	-
Robert Smith	Board Member	01/12/16 – 26/08/17	-
Patrick Smith	Board Member	11/09/15 – 26/08/17	3
Deanne Lewis	Vice President	13/02/16 – 26/08/17	-
Charne Hayden	Secretary (Part Yr.) & President (Part Yr.)	13/02/16 – 26/08/17	-
Kevin Cox	Board Member (Part Yr.) & Secretary (Part Yr.)	13/02/16 – 30/01/17	2
Kerry Hunt	Board Member	01/12/16 - Present	-

The dates for these meetings were: 14/09/2016 – 16/09/2016.

The number of workshop days paid for the year ended 30 June 2017 were 7. The number of workshops held were 5.

			Workshop Days July'16- Jun '17
Name	Position	Current Period of tenure (Board)	Number attended
Edward Wilkes	Board Member	13/02/16 – 13/07/17	3
Laurence Riley	Board Member (Part Yr.)	21/01/14 – 22/09/16	-
Reginald Yarran	President (Part Yr.)	22/11/14 – 10/11/16	1
John Penny	Treasurer (Part Yr.)	22/11/14 – 26/08/17	5
Michelle Nelson-Cox	Board Member	22/11/14 – Present	3
Colin Garlett	Board Member (Part Yr.) & Secretary (Part Yr.)	22/11/14 – 26/08/17	4
Sharon Bushby	Board Member	22/11/14 – 26/08/17	4
Ted Hart	Board Member	21/01/14 – 26/08/17	-
Robert Smith	Board Member	01/12/16 – 26/08/17	1
Patrick Smith	Board Member	11/09/15 – 26/08/17	4
Deanne Lewis	Vice President	13/02/16 – 26/08/17	6
Charne Hayden	Secretary (Part Yr.) & President (Part Yr.)	13/02/16 – 26/08/17	7

Derbarl Yerrigan Health Service Inc.
Directors Report
For the Year Ended 30 June 2017

			Workshop Days July'16- Jun '17
Name	Position	Current Period of tenure (Board)	Number attended
Kevin Cox	Board Member (Part Yr.) & Secretary (Part Yr.)	13/02/16 – 30/01/17	3
Kerry Hunt	Board Member	01/12/16 - Present	6

The dates of these workshops were: 04/04/2016 – 06/04/2016; 05/10/2016; 13/12/2016; 24/11/2016; 30/03/2017.

The number of conference days requiring travel from Perth for the year ended 30 June 2017 were 3. This consisted of 1 conference.

			Conference Days July'15- Jun '16
Name	Position	Current Period of tenure (Board)	Number Of Days
Edward Wilkes	Board Member	13/02/16 – 13/07/17	-
Laurence Riley	Board Member (Part Yr.)	21/01/14 – 22/09/16	-
Reginald Yarran	President (Part Yr.)	22/11/14 – 10/11/16	-
John Penny	Treasurer (Part Yr.)	22/11/14 – 26/08/17	-
Michelle Nelson-Cox	Board Member	22/11/14 – Present	-
Colin Garlett	Board Member (Part Yr.) & Secretary (Part Yr.)	22/11/14 – 26/08/17	-
Sharon Bushby	Board Member	22/11/14 – 26/08/17	-
Ted Hart	Board Member	21/01/14 – 26/08/17	-
Robert Smith	Board Member	01/12/16 – 26/08/17	-
Patrick Smith	Board Member	11/09/15 – 26/08/17	-
Deanne Lewis	Vice President	13/02/16 – 26/08/17	1 Conf. 1 Travel
Charne Hayden	Secretary (Part Yr.) & President (Part Yr.)	13/02/16 – 26/08/17	1 Conf. 1 Travel
Kevin Cox	Board Member (Part Yr.) & Secretary (Part Yr.)	13/02/16 – 30/01/17	1 Conf. 1 Travel
Kerry Hunt	Board Member	01/12/16 - Present	-

The dates for the conferences were: 05/12/2016 – 09/12/2016.

The number of other meetings held during the year ended 30 June 2017 were 4. These meetings were held to discuss the following matters:

NAIDOC Day attendance – 07/07/2016
Community Meeting – 06/05/2017
DOH Refunding Model Meeting – 08/06/2017
HR Job Interview – 11/04/2017

			Meetings July'16- Jun '17
Name	Position	Current Period of tenure (Board)	Number attended
Edward Wilkes	Board Member	13/02/16 – 13/07/17	-
Laurence Riley	Board Member (Part Yr.)	21/01/14 – 22/09/16	1
Reginald Yarran	President (Part Yr.)	22/11/14 – 10/11/16	1
John Penny	Treasurer (Part Yr.)	22/11/14 – 26/08/17	3

**Derbarl Yerrigan Health Service Inc.
Directors Report
For the Year Ended 30 June 2017**

Name	Position	Current Period of tenure (Board)	Meetings July'16- Jun '17
			Number attended
Michelle Nelson-Cox	Board Member	22/11/14 – Present	1
Colin Garlett	Board Member (Part Yr.) & Secretary (Part Yr.)	22/11/14 – 26/08/17	1
Sharon Bushby	Board Member	22/11/14 – 26/08/17	-
Ted Hart	Board Member	21/01/14 – 26/08/17	-
Robert Smith	Board Member	01/12/16 – 26/08/17	-
Patrick Smith	Board Member	11/09/15 – 26/08/17	2
Deanne Lewis	Vice President	13/02/16 – 26/08/17	-
Charne Hayden	Secretary (Part Yr.) & President (Part Yr.)	13/02/16 – 26/08/17	1
Kevin Cox	Board Member (Part Yr.) & Secretary (Part Yr.)	13/02/16 – 30/01/17	-
Kerry Hunt	Board Member	01/12/16 - Present	-

Secretary during the year was as follows:

Name	Position	Period of tenure
Charne Hayden	Secretary	28/06/16 – 10/11/16
Kevin Cox	Secretary	11/11/16 – 30/01/17
Colin Garlett	Interim Secretary	24/05/17 – 26/08/17

Indemnifying Officers or Auditor

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

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.

Distributions

No distributions have been paid to members during the year.

Signed in accordance with a resolution of the Board.

Chairperson

Member

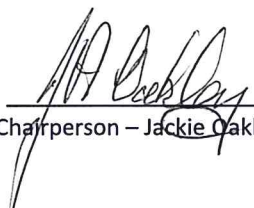
Dated this 14th day of October 2017

**Derbarl Yerrigan Health Service Inc.
Directors Declaration
For the Year Ended 30 June 2017**

In the opinion of the Directors of Derbarl Yerrigan Health Service Inc

- (a) the Service is a reporting entity;
- (b) the financial statements and notes, set out on pages 8 to 38, are in accordance with the Associations Incorporations Act (WA), including:
 - (i) present fairly the financial position of the association as at 30 June 2017 and of its performance, as represented by the results of its operations, for the financial year ended on that date; and
 - (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act (WA); and
- (c) as set out in Note 1(c) to the financial statements, at the date of this statement, there are reasonable grounds to believe that Derbarl Yerrigan Health Service Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Directors and is signed for and on behalf of the Board by:


Chairperson – Jackie Oakley

Dated at Perth this 14th day of October 2017

Derbarl Yerrigan Health Service Inc.
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2017

	Note	2017	2016
Income			
Medicare income		3,663,583	3,448,120
Grant revenue	2	11,593,478	12,951,314
Financial income	3	86,713	110,188
Other income	4	380,632	271,221
Net (loss) / gain on disposal of property, plant and equipment		(364)	19,123
Expenditure			
Administration expenses	5	(3,681,947)	(4,350,928)
Personnel expenses	6	(11,511,054)	(11,316,846)
Rent and other property expenses		(743,010)	(803,815)
Motor vehicle expenses		(154,121)	(141,570)
Depreciation and amortisation expense		(458,014)	(490,017)
Loss for the period		(824,104)	(303,210)
Other Comprehensive Income for the year		-	-
Total comprehensive loss for the year		(824,104)	(303,210)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

Derbarl Yerrigan Health Service Inc.
Statement of Financial Position
As at 30 June 2017

	Note	2017	2016
ASSETS			
Current Assets			
Cash and cash equivalents	8	3,780,631	4,474,556
Trade and other receivables	9	110,319	110,941
Prepayments	10	355,767	343,805
Total Current Assets		4,246,717	4,929,302
Non-Current Assets			
Property, plant and equipment	11	2,644,502	2,966,276
Total Non-Current Assets		2,644,502	2,966,276
TOTAL ASSETS		6,891,219	7,895,578
LIABILITIES			
Current Liabilities			
Trade and other payables	12	1,302,730	1,359,256
Unexpended grants	13	205,513	370,473
Employee benefits provision	14	1,071,575	1,074,803
Total Current Liabilities		2,579,818	2,804,532
Non-Current Liabilities			
Employee benefits provision	14	155,177	110,718
Total non-current liabilities		155,177	110,718
TOTAL LIABILITIES		2,734,995	2,915,250
NET ASSETS		4,156,224	4,980,328
EQUITY			
Accumulated funds		4,156,224	4,980,328
TOTAL EQUITY		4,156,224	4,980,328

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

**Derbarl Yerrigan Health Service Inc.
Statement of Changes in Equity
For the Year Ended 30 June 2017**

	Accumulated Funds \$	Total \$
Balance at beginning of the year as at 1 July 2015	5,283,538	5,283,538
Loss for the period	(303,210)	(303,210)
Balance at the end of the year as at 30 June 2016	4,980,328	4,980,328
Loss for the period	(824,104)	(824,104)
Balance at the end of the year as at 30 June 2017	4,156,224	4,156,224

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

Derbarl Yerrigan Health Service Inc.
Statement of Cash Flows
For the Year Ended 30 June 2017

	Note	2017	2016
Cash flows from operating activities			
Receipts from customers		5,664,852	3,789,170
Grant receipts		12,536,857	12,601,991
Payments to suppliers and employees		(18,834,742)	(16,539,408)
Interest received		86,713	110,118
Net cash from operating activities	22(b)	(546,320)	(38,129)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		593,816	684,082
Payments for the acquisition of property, plant and equipment		(741,421)	(880,738)
Proceeds from disposal of investments (Term Deposits)		-	1,000,000
Net cash from investing activities		(147,605)	803,344
Net (decrease)/ increase in cash and cash equivalents		(693,925)	765,215
Cash and cash equivalents at 1 July 2016		4,474,556	3,709,341
Cash and cash equivalents at 30 June 2017	8	3,780,631	4,474,556

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

Derbarl Yerrigan Health Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2017

1. Statement of Significant Accounting Policies

Derbarl Yerrigan Health Service Inc. (the "Service") is an incorporated entity domiciled in Australia. Derbarl Yerrigan Health Service Inc. is a not for profit entity organisation established to provide health services to the Aboriginal community. The Board have determined that the Service is a reporting entity.

The financial report was authorised for issue by the Board on the 14th of October 2017.

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Service s Incorporation Act (WA) 1987.

The financial report has been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted. Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique.

Material accounting policies have been consistently applied unless otherwise stated.

Amounts in the financial report have been rounded off to the nearest Australian dollar, unless otherwise stated.

New Accounting Standards and Interpretations

The entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period beginning 1 July 2016. Significant new and revised standards and interpretations effective for the current financial reporting period that are relevant to the Organisation are:

Reference	Title	Description	Application date of Standard	Application date for Organisation
AASB 2015-6	Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	This Standard makes amendments to AASB 124 <i>Related Party Disclosures</i> to extend the scope of that Standard to include not-for-profit public sector entities.	1 July 2016	1 July 2016
AASB 2015-7	Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13]	This Standard makes amendments to AASB 13 <i>Fair Value Measurement</i> to exempt not-for-profit public sector entities from certain requirements of the Standard.	1 July 2016	1 July 2016

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

Reference	Title	Description	Application date of Standard	Application date for Organisation
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	AASB 119 <i>Employee Benefits</i> : Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.	1 January 2016	1 July 2016
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 <i>Presentation of Financial Statements</i> arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 July 2016
AASB 2017-2	Amendments to Australian Accounting Standards –Further Annual Improvements 2014-2016 Cycle	This Standard clarifies the scope of AASB 12 <i>Disclosure of Interests in Other Entities</i> by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale or discontinued operations in accordance with AASB5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2017	1 July 2017

The adoption of these standards has not had an impact on the Organisation.

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

The following standards and interpretations have been issued by the AASB but are not yet effective for the period ending 30 June 2017.

Reference	Title	Description	Application date of Standard	Application date for Organisation
AASB 9	Financial Instruments	<p>AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirement of AASB 139. The main changes are described below:</p> <ul style="list-style-type: none"> a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flow b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in Other Comprehensive Income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. <p>Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p>	1 January 2018	1 July 2018
AASB 16	Leases	<p>AASB16 requires lessees to account for all leases under a single on balance sheet model in a similar way to finance leases under AASB 117</p> <p>Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g.,</p>	1 January 2019	1 July 2019

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

Reference	Title	Description	Application date of Standard	Application date for Organisation
		<p>personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).</p> <p>Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.</p> <p>Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.</p> <p>Lessor accounting is substantially unchanged from today's accounting under AASB117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.</p>		
AASB 15	Revenue from Contracts with Customers	<p>AASB 15 <i>Revenue from Contracts with Customers</i> replaces the existing revenue recognition standards AASB 111 <i>Construction Contracts</i>, AASB 118 <i>Revenue</i> and related Interpretations (Interpretation 13 <i>Customer Loyalty Programmes</i>, Interpretation 15 <i>Agreements for the Construction of Real Estate</i>, Interpretation 18 <i>Transfers of Assets from Customers</i>, Interpretation 131 <i>Revenue—Barter Transactions Involving Advertising</i></p> <p>AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other</p>	1 January 2018	1 July 2019

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

Reference	Title	Description	Application date of Standard	Application date for Organisation
		<p>accounting standards such as leases or financial instruments).</p> <p>The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <ul style="list-style-type: none"> (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation 		
AASB 1058	Income of Not-for-Profit Entities	<p>AASB 1058 and AASB 2016-8 will defer income recognition in some circumstances for not-for-profit entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The Standard also expands the circumstances in which not-for-profit entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases.</p> <p>Consequently AASB 1004 Contributions is also amended, with its scope effectively limited to address issues specific to Government entities and contributions by owners in a public sector entity context.</p>	1 January 2019	1 July 2019

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

Reference	Title	Description	Application date of Standard	Application date for Organisation
AASB 2016-4	Amendments to Recoverable Amount of Non-Cash-Generating Specialised Assets of Non-for-Profit Entities	<p>AASB 2016-4 amends AASB 136 to remove references to depreciated replacement cost as a measure of value in use for non-for-profit entities and clarify that non-for-profit entities holding non-cash-generating specialised assets at fair value in accordance with AASB 13 no longer need to consider AASB 136.</p> <p>Non-for-profit entities holding such assets at cost will determine recoverable amounts using current replacement cost in AASB 13.</p>	1 January 2017	1 July 2017

Significant Accounting Policies (continued)

(b) Significant accounting estimates, judgements and assumptions

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key Judgement and Estimate – Impairment of Non-Financial Assets

The organisation assesses impairment at the end of the reporting period by evaluating the conditions and events specific to the organisation that may be indicative of impairment triggers.

(c) Going concern

The financial statements have been prepared on the basis that the Service is a going concern and that the Service will continue to operate. The Service's future as a going concern is dependent upon grants and subject to compliance with the conditions attached to grants received. On this basis the Service will continue to generate sufficient cash flow to be able to pay its debts as and when they fall due.

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

Significant Accounting Policies (continued)

(d) Property, plant and equipment

Each class of property plant and equipment is measured on the cost basis and are therefore carried at cost less accumulated depreciation (except for land which is not depreciated) and any accumulated impairment losses. In the event the carrying amount of any property plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in the Statement of Profit or Loss. A formal assessment of recoverable amount is made when impairment indicators are present.

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 Service and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the Statement of Profit or Loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Asset	Depreciation Rate
Buildings	14%
Building Improvements	20%
Furniture and fittings	20%
Plant and equipment	20%
Motor vehicles	10%
Computer Equipment	30%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when the item is derecognised.

(e) Trade and other receivables

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

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

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(g) Impairment of non-financial assets

The carrying amounts of the Service's assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. See accounting policy g(i).

An impairment loss is recognised whenever the carrying amount of an asset its recoverable amount. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

Significant Accounting Policies (continued)

(i) Calculation of recoverable amount

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Receivables are individually assessed for impairment.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is calculated as the depreciated replacement cost of an asset. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation.

(ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(iii) Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Service has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss and Other Comprehensive Income.

(h) Employee benefits

(i) Long-term service benefits

The Service's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Government bonds which have maturity dates approximating to the terms of the Service's obligations.

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

Significant Accounting Policies (continued)

(ii) Wages, salaries, annual leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Service expects to pay as at reporting date including related on-costs, such as workers compensation insurance.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Service as the benefits are taken by the employees.

(i) Trade and other payables

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

(j) Revenue

Grant Revenue

Non-reciprocal grant revenue is recognised in the Statement of Profit or Loss and Other Comprehensive Income when the Service obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Service and the amount of the grant can be measured reliably.

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

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

The Service receives non-reciprocal contributions of assets from the Government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the Statement of Financial Position, with a corresponding amount of income recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Donations

Donations and bequests are recognised as revenue when received.

Interest Revenue

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

Operating Revenue

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

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

Derbarl Yerrigan Health Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2017

Significant Accounting Policies (continued)

(k) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Profit or Loss and Other Comprehensive Income as an integral part of the total lease expense and spread over the lease term.

(ii) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(iii) Net financing costs

The interest expense component of finance lease payments is recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

(l) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(m) Income tax

The Service is exempt from income tax under Sub-section 50-5 of the Income Tax Assessment Act 1997.

(n) Provisions

Provisions are recognised when the Service 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.

(o) Comparatives

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

Where the Service has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional Statement of Financial Position as at the beginning of the earliest comparative period will be disclosed.

Derbarl Yerrigan Health Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2017

Significant Accounting Policies (continued)

(p) Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Service, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Service will obtain ownership of the asset over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(q) Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to the Statement of Profit or Loss and Other Comprehensive Income immediately.

Classification and subsequent measurement

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

(i) Financial assets at fair value through profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in the Statement of Profit or Loss and Other Comprehensive Income.

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. Gains or losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income through the amortisation process and when the financial asset is derecognised.

Derbarl Yerrigan Health Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2017

Significant Accounting Policies (continued)

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 Service's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income through the amortisation process and when the financial asset is derecognised.

Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in Other Comprehensive Income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in Other Comprehensive Income is reclassified into the Statement of Profit or Loss and Other Comprehensive Income.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income through the amortisation process and when the financial liability is derecognised.

Impairment

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

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income immediately. Also, any cumulative decline in fair value previously recognised in Other Comprehensive Income is reclassified to the Statement of Profit or Loss and Other Comprehensive Income at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

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

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

Significant Accounting Policies (continued)

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

For the purpose of acquitting grants provided by funding bodies, the Service has adopted the following policies:

Grant income is acquitted after allowing for the following costs:

- Cost including labour and on-costs directly associated with a specific grant; and
- Administration and other related overhead costs (after excluding costs which are abnormal both in nature and value and therefore not representative of an appropriate level of costs that would be expected to be incurred) not related to a specific grant are allocated over the relevant grants, based on a proportion of the level of each grant and related income compared to total income.

Such allocations are reduced to take into consideration the lower level administrative burden a grant is likely to produce. Representations of management and internal documentation are used in determining to which grant a cost may directly or indirectly be attributed.

In cases where grant agreements are made without conditions to be monitored, liabilities are recognised on signing the agreement.

Grants relating to the purchase of property plant and equipment are recognized at fair value and treated as an asset and as income when the Service gains control of the contribution. This is in accordance with the treatment of grants under AASB 1004 “Contributions” of the Australian Accounting Standards.

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Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

		2017	2016
		\$	\$
4. Other income			
Employee car contribution		14,140	20,260
Medical income		7,724	9,960
Rent received		38,251	104,494
Sundry income		35,269	18,375
Training subsidy		1,250	6,975
PATS Income		182,565	93,460
Insurance Re-imbursement		42,162	-
Paid Parental Leave Re-imbursement		33,688	5,275
Other		25,583	12,422
		380,632	271,221
5. Administration expenses			
Operational	Note		
Advertising		22,500	1,277
Bank Charges		1,461	1,392
Blue Telephone Expenses		475	458
Agency staff		611,126	989,164
AGM expenses		-	161
Ambulance Cover		12,031	12,045
Audit	7	59,500	44,500
Bad and doubtful debts expense / (reversal)		(3,162)	908
Catering		33,813	30,492
Christmas Function		8,712	12,097
Cleaning		166,035	163,317
Client Expenses		2,754	615
Compliance		68,757	20,647
Consultants fees		-	55,150
Consumables		1,718	1,123
Dental Services & Dental Supplies		78,087	111,104
Drug Testing Cost		3,129	14,728
Events		46,757	101,326
Food assistance / vouchers for Clients		79,197	116,854
Food – residents / clients		71,320	76,025
Fringe Benefits Tax (Refund)		7,668	7,669
Function Expenses		-	79
Hire of plant and equipment		8,332	7,709
Home Maintenance		9,094	13,076
Insurance – general		93,143	75,848
Insurance – workers compensation		144,370	161,396
Internet fees		60,262	138,694
Legal fees		28,711	-
Licences & Fees		1,474	2,620
Medical supplies		208,489	185,640
Minor equipment and software purchases		65,455	96,557
NAIDOC day expenses		37,164	16,496
Other emergency assistance for Clients		4,556	5,403
Pharmacy expenses		38,338	46,008
Postage		19,033	16,182
Printing and stationery		75,406	70,642

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

5. Administration expenses (continued)

	2017	2016
	\$	\$
Promotional products	110,541	70,667
Rates and taxes	65,305	66,230
Records management	16,099	15,907
Repairs and maintenance	43,896	36,456
Residents activities	-	407
Security	400,926	329,464
Software licenses	61,644	136,324
Sponsorship/donations	763	8,245
Staff amenities	28,744	32,658
Staff recruitment	17,176	5,835
Staff training	112,774	163,538
Subscriptions and publications	22,579	16,699
Telephone	153,681	166,555
Travel and accommodation	18,481	19,610
Travel and transport assistance	49,174	91,491
Sundry expenses	70	594
Support staff services	9,353	8,803
Uniform expenses	7,890	5,176
Total Operational Administration Expenses	3,184,801	3,772,061

Board Related

Agency Staff	39,967	275
AGM expenses	7,166	25,120
Board conferences	4,091	10,291
Board travel cost and accommodation	4,014	51,786
Board travel to meetings	15,297	21,029
Catering	3,545	11,109
Christmas function	338	1,568
Consultants fees	151,455	79,493
Events	3,720	-
Honorariums	6,000	5,723
Legal fees	39,604	109,489
Sitting fees	158,950	241,900
Contributions to defined contribution superannuation funds	14,612	21,084
Salaries and wages- Secretariat and AGM/SGM staff	48,262	-
Staff amenities	125	-
Total Board Related Administration Expenses	497,146	578,867

Total Administration Expenses

3,681,947 **4,350,928**

6. Personnel expenses

Wages and salaries	9,977,794	9,963,428
Contributions to defined contribution superannuation funds	881,389	845,740
Other personnel expenses	651,871	507,678
	11,511,054	11,316,846

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

	2017 \$	2016 \$
7. Auditors' remuneration		
Audit services		
Auditors of the Service		
Preparation of the financial report	5,000	5,000
Audit of :		
- Year-end financial report	34,500	34,500
- Year-end grant acquittal statements	5,000	5,000
-April 2017 grant acquittal statements	5,000	-
-April 2017 Funds administrator trial balance	10,000	-
	59,500	44,500
8. Cash and cash equivalents		
Cash on hand	800	525
Bank balances	3,774,315	4,468,676
Call deposits	5,516	5,355
	3,780,631	4,474,556
9. Trade and other receivables		
Current		
Trade receivables and other receivables	107,471	92,776
Net GST receivable	2,848	18,165
	110,319	110,941

Credit risk

The Service does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the Service's accounts receivable and other debtors exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Service and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Service.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be a high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired (Days overdue)				Within initial trade terms
	\$	\$	<30	31-60	61-90	>90	\$
2017							
Accounts receivable	110,319	-	8,154	1,755	282	1,424	98,704
Total	110,319	-	8,154	1,755	282	1,424	98,704
2016							
Accounts receivable	110,941	3,161	8,422	415	-	1,648	97,295
Total	110,941	3,161	8,422	415	-	1,648	97,295

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

Collateral held as security

No collateral is held as security for any of the accounts receivable or other debtor balances.

Financial assets classified as loans and receivables

	2017	2016
	\$	\$
Accounts receivable and other receivables		
- Total current	110,319	110,941

10. Prepayments

Prepayments	355,767	343,805
	<u>355,767</u>	<u>343,805</u>

11. Property, plant and equipment

	Land	Buildings	Motor vehicles	Office equipment	Plant & equipment	Artworks	Total
Cost							
Balance at 1 July 2015	1,127,188	2,850,164	763,038	923,424	1,165,622	16,333	6,845,769
Acquisitions	-	-	807,774	13,591	59,373	-	880,738
Disposals	-	-	(819,643)	-	(16,291)	-	(835,934)
Balance at 30 June 2016	<u>1,127,188</u>	<u>2,850,164</u>	<u>751,169</u>	<u>937,015</u>	<u>1,208,704</u>	<u>16,333</u>	<u>6,890,573</u>
Balance at 1 July 2016	1,127,188	2,850,164	751,169	937,015	1,208,704	16,333	6,890,573
Acquisitions	-	-	634,014	46,089	61,318	-	741,421
Disposals	-	-	(657,385)	-	-	-	(657,385)
Balance at 30 June 2017	<u>1,127,188</u>	<u>2,850,164</u>	<u>727,798</u>	<u>983,104</u>	<u>1,270,022</u>	<u>16,333</u>	<u>6,974,609</u>
Depreciation and impairment losses							
Balance at 1 July 2015	-	1,734,924	170,576	750,891	881,606	16,333	3,554,330
Depreciation charge for the year	-	182,923	121,397	63,836	121,861	-	490,017
Disposals	-	-	(120,050)	-	-	-	(120,050)
Balance at 30 June 2016	<u>-</u>	<u>1,917,847</u>	<u>171,923</u>	<u>814,727</u>	<u>1,003,467</u>	<u>16,333</u>	<u>3,924,297</u>
Balance at 1 July 2016	-	1,917,847	171,923	814,727	1,003,467	16,333	3,924,297
Depreciation charge for the year	-	182,922	100,131	64,877	110,084	-	458,014
Disposals	-	-	(52,204)	-	-	-	(52,204)
Balance at 30 June 2017	<u>-</u>	<u>2,100,769</u>	<u>219,850</u>	<u>879,604</u>	<u>1,113,551</u>	<u>16,333</u>	<u>4,330,107</u>
Carrying amounts							
At 1 July 2015	1,127,188	1,115,240	592,462	172,533	284,016	-	3,291,439
At 30 June 2016	1,127,188	932,317	579,246	122,288	205,237	-	2,966,276
At 1 July 2016	1,127,188	932,317	579,246	122,288	205,237	-	2,966,276
At 30 June 2017	1,127,188	749,394	507,948	103,500	156,472	-	2,644,502

Land and building at Wittenoom St, East Perth are subject to encumbrances (caveat and easement burden) and as such, these may not be sold by the Service.

For the purpose of the financial statements land and buildings are measured at cost less any accumulated depreciation and impairment.

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

12. Trade and other payables

Trade payables and accrued expenses

2017	2016
\$	\$
1,302,730	1,359,256
1,302,730	1,359,256

Financial liabilities at amortised cost classified as accounts payable and other payables

Accounts payable and other payables:

Total current

1,302,730	1,359,256
------------------	------------------

The average credit period on accounts payable and other payables (excluding GST payable) is one month. No interest was payable on outstanding payables during this period.

13. Unexpended grants

Recurrent

Other

2017	2016
\$	\$
175,474	370,473
30,039	-
205,513	370,473

14. Employee benefits provision

Current

Annual leave

Long service leave

506,971	480,616
564,604	594,187
1,071,575	1,074,803

Non-current

Long service leave

155,177	110,718
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Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

15. Related party information

The following persons were key management personnel of the Service at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Board Members:

Edward Wilkes – President (Part year)
Dorothy Bagshaw – President (Part year); Vice President (Part Year)
John Penny – Treasurer
Reginald Yarran – Treasurer (Part Year); President (Part Year) – Resigned 10 November 2016
Laurence Riley – Secretary (part year) – Resigned 22 September 2016
Deanne Lewis - Vice President (Part year)
Colin Garlett - Vice President (Part year)
Margaret Culbong
Charne Hayden - Secretary (part year)
Michelle Nelson-Cox
Doreen Nelson
Patrick Smith
Robert Smith
Ted Hart
Sharon Bushby
Kevin Cox – Resigned 30 January 2017

Details of payments to Board Members during the year:

		2017	2016
Dot Bagshaw:	Meeting fees	-	32,400
	Superannuation	-	3,045
	Travel allowance	-	1,658
	Honorariums	-	1,314
		-	38,417
Laurence Riley:	Meeting fees	6,150	38,300
	Superannuation	584	3,667
	Travel allowance	408	3,261
	Honorariums	-	1,314
		7,142	46,542
Sharon Bushby:	Meeting fees	13,400	7,100
	Superannuation	1,273	651
	Travel allowance	422	288
	Honorariums	-	-
		15,095	8,039
Colin Garlett:	Meeting fees	13,800	10,750
	Superannuation	1,311	1,021
	Travel allowance	2,196	1,811
	Honorariums	-	79
		17,307	13,661

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

		2017	2016
Margaret Culbong	Meeting fees	-	12,500
	Superannuation	-	936
	Travel allowance	-	514
	Honorariums	-	-
		-	13,950
Charne Hayden:	Meeting fees	19,800	2,700
	Superannuation	1,881	223
	Travel allowance	3,123	325
	Honorariums	1,600	207
		26,404	3,455
Doreen Nelson:	Meeting fees	-	14,200
	Superannuation	-	1,349
	Travel allowance	-	322
	Honorariums	-	-
		-	15,871
Michelle Nelson-Cox:	Meeting fees	12,350	12,600
	Superannuation	1,173	1,183
	Travel allowance	929	1,844
	Honorariums	-	-
		14,452	15,627
Patrick Smith:	Meeting fees	15,100	12,200
	Superannuation	1,435	1,126
	Travel allowance	983	813
	Honorariums	-	-
		17,518	14,139
Reginald Yarran	Meeting fees	3,150	34,100
	Superannuation	299	3,240
	Travel allowance	339	3,255
	Honorariums	904	1,600
		4,692	42,195
Edward Wilkes:	Meeting fees	12,350	-
	Superannuation	1,135	-
	Travel allowance	221	-
	Honorariums	-	400
		13,706	400
Robert Smith:	Meeting fees	5,000	12,050
	Superannuation	442	1,145
	Travel allowance	486	2,115
	Honorariums	-	-
		5,928	15,310
Ted Hart:	Meeting fees	4,150	15,000
	Superannuation	-	-
	Travel allowance	2,752	2,977
	Honorariums	-	-
		6,902	17,977

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

		2017	2016
John Penny:	Meeting fees	17,300	35,300
	Superannuation	1,644	3,354
	Travel allowance	1,056	1,949
	Honorariums	1,600	1,002
		21,600	41,605
Deanne Lewis:	Meeting fees	18,250	1,000
	Superannuation	1,734	48
	Travel allowance	961	33
	Honorariums	1,600	207
		22,545	1,288
Kevin Cox:	Meeting fees	9,700	850
	Superannuation	898	48
	Travel allowance	1,112	22
	Honorariums	296	-
		12,006	920
Kerry Hunt	Meeting fees	8,450	850
	Superannuation	803	48
	Travel allowance	309	22
	Honorariums	-	-
		9,562	920
TOTAL	Meeting fees	158,950	241,900
	Superannuation	14,612	21,084
	Travel allowance	15,297	21,029
	Honorariums	6,000	5,723
	TOTAL	194,859	289,736

Executives:

Key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Service. Compensation levels for executive employees of the Service are competitively set to attract and retain appropriately qualified and experienced personnel.

In addition to their salaries, the Service also provides non-cash benefits to its executive employees and contributes to a post-employment defined contribution superannuation plan on their behalf.

The executives' compensation included in "personnel expenses" is as follows:

Executives:

Barbara Henry (Chief Executive Officer) - resigned 28/10/2016

Neil O'Donnell (Acting Chief Executive Officer) – appointed 29/10/2016 to 07/04/2017

Des Martin (Acting Chief Executive Officer) – 08/04/2017 to 17/07/2017 (Not remunerated by DYHS)

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

	2017	2016
	\$	\$
Barbara Henry		
Short-term employee benefits	5,973	256,261
Post-employment benefits (Superannuation)	2,008	19,207
	<u>7,981</u>	<u>275,468</u>
	2017	2016
	\$	\$
Neil O'Donnell		
Short-term employee benefits	88,227	-
Post-employment benefits (Superannuation)	8,309	-
	<u>96,536</u>	<u>-</u>
	2017	2016
	\$	\$
Total		
Short-term employee benefits	94,200	256,261
Post-employment benefits (Superannuation)	10,317	19,207
	<u>104,517</u>	<u>275,468</u>

The number of executives whose income from the Service or any related party falls within the following bands:

Salary Range	2017	2016
\$ nil – \$ 9,999	2	-
\$ 10,000 – \$ 199,900	1	-
\$ 200,000 – \$ 224,999	-	-
\$ 225,000 – \$ 249,999	-	-
\$ 250,000 – \$ 274,999	-	-
\$ 275,000 – \$ 299,999	-	1

Board members are paid meeting fees, honorariums and a travel allowance. The details of these payments are listed in the tables above.

16. Financial Risk Management

Overview

This note presents information about the Service's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Service does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Service does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Executive Committee has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Service through regular reviews of the risks. Exposure to credit and interest rate risks arises in the normal course of the service's business.

Derbarl Yerrigan Health Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2017

Credit risk

Credit risk is the risk of financial loss to the Service if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Service's receivables from customers which are principally Government departments.

At the balance sheet date there were no significant concentrations of credit risk.

Cash and cash equivalents

The Service limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Trade and other receivables

As the Service operates in delivering quality health services to its clients, it does not have large trade receivables and therefore is only marginally exposed to credit risk in relation to trade receivables.

Exposure to credit risk

The carrying amount of the Service's financial assets represents the maximum credit exposure. The Service's maximum exposure to credit risk at the reporting date was

In AUD

		Carrying amount	
	Note	2017	2016
Trade and other receivables		110,319	114,103
Provision for doubtful debts		-	(3,162)
Trade and other receivables net	9	110,319	110,941
Cash and cash equivalents	8	3,780,631	4,474,556

Liquidity risk

Liquidity risk is the risk that the Service will not be able to meet its financial obligations as they fall due. The Service's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Service's reputation.

The Service manages liquidity risk by maintaining adequate cash reserves from funds received from the funding providers and by continuously monitoring forecast and actual cash flows. The Service does not have any external borrowings.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2017

<i>In AUD</i>	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
Trade and other payables	1,302,730	1,302,730	1,302,730	-	-	-

30 June 2016

<i>In AUD</i>	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years
Trade and other payables	1,359,256	1,359,256	1,359,256	-	-	-

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Service's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

Currency risk

The Service is not exposed to currency risk and at balance sheet date the Service holds no financial assets or liabilities which are exposed to foreign currency risk.

Other Market Price Risk

Other market price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Service has no investments and is therefore not exposed to other market price risks.

Commodity Price Risk

The Service operates primarily in the health care industry and accordingly the Service's financial assets and liabilities are not subject to commodity price risk.

Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments.

The Service holds most of its cash & cash equivalents in an interest bearing bank account at variable interest rates. A 100 basis points variation in interest rates would lead to a \$37,777 (2016: \$34,740) movement.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the Statement of Financial Position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair value for listed securities are obtained from quoted market bid prices.

	Note	2017		2016	
		Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Financial assets					
Cash on hand	(i)	3,780,631	3,780,631	4,474,556	4,474,556
Accounts receivable and other debtors	(i)	110,319	110,319	110,941	110,941
Total financial assets		<u>3,890,950</u>	<u>3,890,950</u>	<u>4,585,497</u>	<u>4,585,497</u>
Financial liabilities					
Accounts payable and other payables	(i)	1,302,730	1,302,730	1,359,256	1,359,256
Total financial liabilities		<u>1,302,730</u>	<u>1,302,730</u>	<u>1,359,256</u>	<u>1,359,256</u>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash on hand, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the provision for annual leave, which is outside to scope of AASB 139.

Derbarl Yerrigan Health Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2017

17. Fair value Measurements

Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Service selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Service are consistent with one or more of the following valuation approaches:

- Market approach: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- Income approach: converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- Cost approach: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Service gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

18. Segment Reporting

The Service operates predominantly in one business and geographical segment, being the health sector providing health services to Aboriginal members of the community.

Derbarl Yerrigan Health Service Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2017

19. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2017	2016
Less than one year	357,234	308,129
Between one and five years	60,789	88,515
Greater than five year	-	-
	418,023	396,644

The Service leases a number of office premises and other facilities under operating leases. The leases typically run for a period of 3 years, with an option to renew the lease after that date. Lease payments are increased annually to reflect increases in the Consumer Price Index (CPI). None of the leases include contingent rentals.

20. Contingent Liabilities

There are no contingent liabilities existing at 30 June 2017 (2016: Nil).

21. Capital commitments

The Service has no capital commitments in place as at 30 June 2017 (2016: Nil).

22. Reconciliation of cash flows from operating activities

	2017	2016
	\$	\$
(a) Reconciliation of Cash		
Cash at the end of financial year as included in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Bank Balances	3,774,315	3,474,031
Term Deposits	5,516	1,000,000
Petty Cash	800	525
	3,780,631	4,474,556
(b) Reconciliation of Cash flows from operating activities with (loss) for the period		
Loss for the period	(824,104)	(303,210)
<i>Adjustments for non- cash flows in loss</i>		
Depreciation and amortisation	458,014	490,017
Gain/(loss) on sale of property, plant and equipment	364	(19,213)
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	11,623	54,605
(Increase)/decrease in prepayments	(11,962)	(112,878)
Increase/(decrease) in trade and other payables	(56,526)	160,752
Increase/(decrease) in unexpended grants	(164,960)	(124,574)
Increase/(decrease) in employee benefits balances	41,231	(183,628)
Net cash outflow from operating activities	(546,320)	(38,129)

Derbarl Yerrigan Health Service Inc.

Notes to the Financial Statements

For the Year Ended 30 June 2017

23. Economic dependency

The Service is dependent on funding received from its principal funding agencies, the Australian Government Department of Health and the Western Australian Government State Department of Health. The future operations of the Service are dependent on the continued receipt of funding from these agencies.

24. Events subsequent to balance date

Appointment of Key Positions

On the 17th of July 2017, Jenny Bedford was appointed as the Chief Executive Officer of the Service. The appointment of the position is considered to be significant given the absence of senior management over the past year.

Transition from the State Associations Act to the CATSI Act

At the Special General Meeting held on the 24th of June 2017 the membership approved the transition for the Service to be incorporated under the CATSI Act.

As such a formal request was made to the Department of Commerce on the 21st of July 2017, who regulate organisations incorporated under the State Associations Act WA 2015 to make the transition.

On the 29th of August 2017, the service received formal correspondence from the Government of Western Australia, Department of Mines, Industry Regulation and Safety Consumer Protection approving the Service to make an application to the Office of Registrar of Indigenous Corporations (ORIC) to transition. The Service acted on this approval and submitted the application to transition on the 27th of September 2017.

The service's registration was approved and the organisation is incorporated under the CATSI Act as of the 9th October 2017.

Change of Organisation Name and Constitution

In line with the transition to the CATSI Act, at the Special General Meeting held on the 24th of June 2017, the membership also approved for the constitution to be amended and the name of the organisation to be changed to Derbarl Yerrigan Health Service Aboriginal Corporation to meet the legislative requirements of the CATSI Act. These changes will come into effect when the transition is formally accepted by ORIC.

Election of New Board Members

On the 26th of August 2017 an Annual General Meeting was held where the Australian Electoral Commission was engaged to facilitate the election of the new Board. This resulted in the new board members being elected who are listed on Page 1 in the Directors' report.

25. Organisation details

The principal place of business and address of the Service is:

Derbarl Yerrigan Health Service Inc.
156 Wittenoom Street
East Perth WA 6004
Telephone: 08 9421 3888
Fax: 08 9421 3883
Website: www.dyhs.org.au

Independent Auditor's Report

To the Members of Derbarl Yerrigan Health Service Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Derbarl Yerrigan Health Service Inc. ("the Entity"), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other 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 directors' declaration.

In our opinion:

- a. the accompanying financial report of Derbarl Yerrigan Health Service Inc. has been prepared in accordance with the *Associations Incorporation Act 2015 (WA)* and *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the registered entity's financial position as at 30 June 2017 and of its financial performance and cash flows for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*; the *Associations Incorporation Act 2015 (WA)* and 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.



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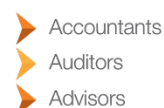
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Independent Auditor's Report

To the Members of Derbarl Yerrigan Health Service Inc. (Continued)



Other Information

The directors are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2017, 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.

Responsibilities of the Directors for the Financial Report

The directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards; the *Associations Incorporation Act 2015 (WA)* and the *Australian Charities and Not-for-profits Commission ("ACNC") Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Entity'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 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 responsibility is to express an opinion on the financial report based on our audit. 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.

Independent Auditor's Report

To the Members of Derbarl Yerrigan Health Service Inc. (Continued)



- 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 14th day of October 2017