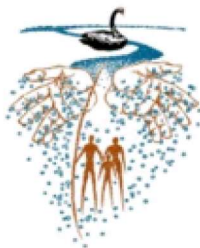


Annual Financial Report



Derbarl Yerrigan Health Service Aboriginal Corporation

ABN 60 824 221 416

30 June 2018

Derbarl Yerrigan Health Service Aboriginal Corporation

Annual Financial Report

For the Year Ended 30 June 2018

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Derbarl Yerrigan Health Service Aboriginal Corporation

Directors' Report

For the Year Ended 30 June 2018

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
John Penny	Treasurer (Part Yr.)	Cert IV Career Development; Employment Services; Project Management; Mentoring; Governance	22/11/14 – 26/08/17
Michelle Nelson-Cox	Treasurer	BArtsComm Mgmt, BSocScIndigServ	22/11/14 – 19/09/18
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
Kerry Hunt	Board Member	BSocialWork, AHP	01/12/16 - Present
Jacqueline Oakley	Chairperson	Community Leader	26/08/17 - Present
Francine Eades	Deputy Chairperson	MAppEpid, Lecturer Aboriginal Studies, Curtin Uni, RN	26/08/17 - Present
Louise Tucker	Secretary	EN, ALO – Royal Perth Hospital	26/08/17 - Present
Marley Nelson	Board Member	Community Leader	26/08/17 – 14/10/17
Dorothy Henry	Board Member	Community Leader	26/08/17 - 14/10/17
Fabian Yarran	Board Member	Community Leader	26/08/17 - 14/10/17
Laurence Riley	Board Member	Community Leader	26/08/17 – 14/10/17 05/10/18 – Present
Roger Turvey	Board Member	BAppScIndCommHealth, AssocD Counselling & Mental Health, PGDip HealingArtTherapy	26/08/17 - Present
Barbara McGillivray	Board Member	Community Leader	26/08/17 - 14/10/17
Greg Ugle	Board Member	Community Leader	26/08/17 - Present

Principal Activities

The principal activity of 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 Aboriginal Corporation

Directors' Report

For the Year Ended 30 June 2018

Operating Results

The Service recorded a Loss of \$309,346 (2017: Loss \$824,104) 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 7 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 Service'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 28 April 2017 and 21 June 2017 respectively.

Future Developments

AHCWA will continue 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 until the end of the 2018-2019 financial year.

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.

Derbarl Yerrigan Health Service Aboriginal Corporation

Directors' Report

For the Year Ended 30 June 2018

Number of Board meetings held for the year ended 30 June 2018 was 9.

Name	Position	Current Period of tenure (Board)	Meetings July '17- Jun '18	
			No. eligible to attend	Number attended
Edward Wilkes	Board Member	13/02/16 – 13/07/17	1	0
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	2	2
Sharon Bushby	Board Member	22/11/14 – 26/08/17	2	2
Ted Hart	Board Member	21/01/14 – 26/08/17	2	0
Robert Smith	Board Member	01/12/16 – 26/08/17	2	0
Patrick Smith	Board Member	11/09/15 – 26/08/17	2	2
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
Michelle Nelson-Cox	Director	22/11/14 – 19/09/18	9	9
Kerry Hunt	Director	01/12/16 - Present	9	8
Jacqueline Oakley	Chairperson	26/08/17 - Present	7	6
Francine Eades	Deputy Chairperson	26/08/17 - Present	7	7
Louise Tucker	Secretary	26/08/17 - Present	7	7
Roger Turvey	Director	26/08/17 - Present	7	7
Greg Ugle	Director	26/08/17 - Present	7	4
Marley Nelson	Board Member	26/08/17 – 14/10/17	1	1
Dorothy Henry	Board Member	26/08/17 - 14/10/17	1	1
Fabian Yarran	Board Member	26/08/17 - 14/10/17	1	1
Laurence Riley	Board Member	26/08/17 – 14/10/17 05/10/18 - Present	1	1
Barbara McGillivray	Board Member	26/08/17 - 14/10/17	1	1

The dates for these meetings were: 13/07/2017; 17/08/2017; 14/10/2017; 22/11/2017; 20/01/2018; 01/02/2018; 19/02/2018; 28/03/2018; 30/05/2018.

There was 1 Finance Sub-Committee meeting held for the year ended 30 June 2018. The date of this meeting was: 26/03/2018.

Name	Position	Current Period of tenure (Board)	Meetings July '17- Jun '18
			Number attended
Michelle Nelson Cox	Treasurer	22/11/14 – Present	1
Jackie Oakley	Chairperson	26/08/17 - Present	1

Derbarl Yerrigan Health Service Aboriginal Corporation Directors' Report For the Year Ended 30 June 2018

There was 1 Audit & Risk Sub-Committee meeting held for the year ended 30 June 2018. The date of this meeting was: 19/06/2018.

Name	Position	Current Period of tenure (Board)	Meetings July '17- Jun '18
			Number attended
Michelle Nelson Cox	Treasurer	22/11/14 – Present	1
Louise Tucker	Director	26/08/17 - Present	1
Greg Ugle	Director	26/08/17 - Present	1

There was 3 Research & Development Sub-Committee meeting held for the year ended 30 June 2018. The date of these meetings were: 23/01/2018; 14/3/2018; 20/06/2018.

Name	Position	Current Period of tenure (Board)	Meetings July '17- Jun '18
			Number attended
Francine Eades	Deputy Chairperson	26/08/17 - Present	3
Kerry Hunt	Director	01/12/16 - Present	3
Roger Turvey	Director	26/08/17 - Present	1

The number of Strategic Planning workshop days attended during the year ended 30 June 2018 were 5. These comprised Board workshops (3) and community engagement workshops (2).

Name	Position	Current Period of tenure (Board)	Workshop Days July' 17- Jun '18
			Number attended
Jacqueline Oakley	Chairperson	26/08/17 - Present	5
Francine Eades	Deputy Chairperson	26/08/17 - Present	5
Michelle Nelson-Cox	Board Member	22/11/14 – Present	5
Louise Tucker	Secretary	26/08/17 - Present	5
Roger Turvey	Director	26/08/17 - Present	5
Greg Ugle	Director	26/08/17 - Present	4
Kerry Hunt	Director	01/12/16 - Present	5

The number of conference days requiring travel from Perth for the year ended 30 June 2018 were 3. This consisted of 1 conference. The dates for the conferences were: 31/10/2017 to 2/11/2017.

Name	Position	Current Period of tenure (Board)	Conference Days July' 17- Jun '18
			Number Of Days
Jacqueline Oakley	Chairperson	26/08/17 - Present	3
Francine Eades	Deputy Chairperson	26/08/17 - Present	3

Derbarl Yerrigan Health Service Aboriginal Corporation Directors' Report For the Year Ended 30 June 2018

The number of other meetings held during the year ended 30 June 2018 were 5. These meetings were held to discuss the following matters:

NAIDOC Day Planning City Town of Bassendean – 23/4/2018
AHCWA State Conference 10/4/2018 – 12/4/2018
Community & Life Member Meetings 18/04/2018 & 9/6/2018
City of Perth Reconciliation Plan – Reference Group 4/2018

			Meetings July '17 – June 18
Name	Position	Current Period of tenure (Board)	Number attended
Jacqueline Oakley	Chairperson	26/08/17 - Present	5
Francine Eades	Deputy Chairperson	26/08/17 - Present	3
Roger Turvey	Director	26/08/17 - Present	3

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 of the Service.

To the extent permitted by law, the Service has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

Proceedings on Behalf of the Service

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

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

Distributions

No distributions have been paid to members during the year (2017: nil).

Signed in accordance with a resolution of the Board.



Chairperson
Jacqueline Oakley



Member

Dated at Perth, this 26th day of October 2018

**Derbarl Yerrigan Health Service Aboriginal Corporation
Directors' Declaration
For the Year Ended 30 June 2018**

In the opinion of the Directors of Derbarl Yerrigan Health Service Aboriginal Corporation:

- (a) the financial statements and notes of Derbarl Yerrigan Health Service Aboriginal Corporation are in accordance with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and *Australian Charities and Not-for-profits Commissions Act 2012*, including:
 - (i) giving a true and fair view of the financial position of the Service as at 30 June 2018 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements, *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and *Australian Charities and Not-for-profits Commissions Act 2012*; and
- (b) there are reasonable grounds to believe that Derbarl Yerrigan Health Service Aboriginal Corporation 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
Jacqueline Oakley

Dated at Perth this 26th day of October 2018

Derbarl Yerrigan Health Service Aboriginal Corporation
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2018

	Note	2018	2017
Income		\$	\$
Medicare income		3,793,451	3,663,583
Grant revenue	2	11,416,790	11,593,478
Financial income	3	16,033	86,713
Net gain / (loss) gain on disposal of property, plant and equipment		16,465	(364)
Other income	4	295,322	380,632
Expenditure			
Administration expenses	5	(3,446,399)	(3,681,947)
Personnel expenses	6	(11,097,035)	(11,511,054)
Rent and other property expenses		(734,944)	(743,010)
Motor vehicle expenses		(154,244)	(154,121)
Depreciation and amortisation expense		(414,785)	(458,014)
Loss for the year		(309,346)	(824,104)
Other Comprehensive Income for the year		-	-
Total comprehensive loss for the year		(309,346)	(824,104)

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 Aboriginal Corporation
Statement of Financial Position
As at 30 June 2018

	Note	2018	2017
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	7	3,488,990	3,780,631
Trade and other receivables	8	356,192	110,319
Prepayments	9	550,375	355,767
Total Current Assets		4,395,557	4,246,717
Non-Current Assets			
Property, plant and equipment	10	2,358,188	2,644,502
Total Non-Current Assets		2,358,188	2,644,502
TOTAL ASSETS		6,753,745	6,891,219
LIABILITIES			
Current Liabilities			
Trade and other payables	11	1,580,151	1,302,730
Unexpended grants	12	78,294	205,513
Employee benefits provision	13	1,069,090	1,071,575
Total Current Liabilities		2,727,535	2,579,818
Non-Current Liabilities			
Employee benefits provision	13	179,332	155,177
Total non-current liabilities		179,332	155,177
TOTAL LIABILITIES		2,906,867	2,734,995
NET ASSETS		3,846,878	4,156,224
EQUITY			
Accumulated funds		3,846,878	4,156,224
TOTAL EQUITY		3,846,878	4,156,224

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

Derbarl Yerrigan Health Service Aboriginal Corporation
Statement of Changes in Equity
For the Year Ended 30 June 2018

	Accumulated Funds \$	Total \$
Balance at beginning of the year as at 1 July 2016	4,980,328	4,980,328
Loss for the year	(824,104)	(824,104)
Balance at the end of the year as at 30 June 2017	4,156,224	4,156,224
Loss for the year	(309,346)	(309,346)
Balance at the end of the year as at 30 June 2018	3,846,878	3,846,878

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

Derbarl Yerrigan Health Service Aboriginal Corporation
Statement of Cash Flows
For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from customers		5,386,162	5,664,852
Grant receipts		12,397,910	12,536,857
Payments to suppliers and employees		(17,979,740)	(18,834,742)
Interest received		16,033	86,713
Net cash outflow from operating activities		(179,635)	(546,320)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		687,636	593,816
Payments for the acquisition of property, plant and equipment		(799,642)	(741,421)
Net cash outflow from investing activities		(112,006)	(147,605)
Net (decrease)/ increase in cash and cash equivalents		(291,641)	(693,925)
Cash and cash equivalents at beginning of year		3,780,631	4,474,556
Cash and cash equivalents at end of year	7	3,488,990	3,780,631

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

Derbarl Yerrigan Health Service Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2018

1. Statement of Significant Accounting Policies

Derbarl Yerrigan Health Service Aboriginal Corporation (the “Service”) is an incorporated entity domiciled in Australia. The Service 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 26th of October 2018.

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board, the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and *Australian Charities and Not-for-profits Commissions Act 2012*.

The financial report has been prepared on the basis of historical cost.

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.

New Accounting Standards and Interpretations

The Service applied amendments for the first time to Accounting Standards which are effective for annual periods beginning on or after 1 July 2017. The Service has not early adopted any standards, interpretations or amendments that have been issued but not yet effective. The adoption of those Accounting Standards, interpretations and amendments has not significantly affected the Service’s accounting policies, financial position or performance.

(b) Significant accounting estimates, judgements and assumptions

The preparation of a financial report in conformity with Australian Accounting Standards – Reduced Disclosure Requirements 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.

(c) Going concern

The financial statements have been prepared on the basis that the Service is a going concern. The Service’s ability to continue as a going concern is dependent upon the ongoing receipt of State and Commonwealth Government Grants. The ongoing receipt of these Grants is subject to compliance with the conditions attached to the Grants. Should the Service be unable or ineligible to receive recurrent Government Grants, then it would need to reduce operational expenditure to continue as a going concern. The Directors are confident that the Service will continue to receive ongoing funding from recurrent Government Grants from both the State and Commonwealth to continue to finance operations. On this basis the Directors believe that 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 Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2018

1. Statement of Significant Accounting Policies (cont.)

(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 year 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.

Land and artworks are not depreciated. The depreciation rates used for each class of depreciable assets are:

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

Key judgment: Useful life of depreciable assets

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively based on the expected utility of the assets.

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 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. An estimate of doubtful debts arises when collection of the full amount is not probable. Bad debts are written-off when identified. Subsequent recoveries of bad debts previously written-off are credited against other expenses in Statement of Profit or Loss.

Derbarl Yerrigan Health Service Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2018

1. Statement of Significant Accounting Policies (cont.)

(f) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and short-term deposits with an original maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents defined above, net of outstanding bank overdrafts.

Cash flows included in the statement of cash flows are on a gross basis. The GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the Australian Taxation Office (ATO), are classified as financing cash flows.

(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.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised immediately in the Statement of Profit or Loss.

(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.

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.

Key judgment: Recoverable amount of other assets

The recoverable amount of other assets is the greater of their fair value less costs of disposal 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 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.

Derbarl Yerrigan Health Service Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2018

1. Statement of Significant Accounting Policies (cont.)

(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.

(h) Employee benefits

Provision is made for employee benefits accumulated as a result of employee rendering services up to the end of the reporting period. These benefits include wages, salaries, annual leave and long-service leave.

Liabilities in respect of employees' services rendered that are not expected to be wholly settled within one year after the end of the reporting period in which the employees render the related services are recognised as non-current employee benefits.

These liabilities are measured at the present value of the estimated future cash outflow to be made to the employees using the projected unit cost method. Consideration is given to be expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Australian Corporate Bond rates with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Liabilities expected to be wholly settled within one year after the end of the reporting period in which the employees render the related services are classified as short-term benefits and measured at the amount due to be paid.

Key judgment: Long-service leave

Long service leave is measured at the present value of the benefits accumulated up to the end of the reporting period. The liability is discounted using an appropriate discount rate. Management requires judgement to determine key assumptions used in the calculation of future increases in salaries and wages, future on-cost rates and future settlement dates of employees' departures.

(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.

Derbarl Yerrigan Health Service Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2018

1. Statement of Significant Accounting Policies (cont.)

(j) Revenue

Grant Revenue

Non-reciprocal Grant revenue is recognised in the Statement of Profit or Loss 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 Commonwealth and State Governments 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.

Key judgment: Unearned income

The Directors require judgement to determine key assumptions used in evaluating whether performance criteria attached to a Grant were satisfied and the likelihood that the Commonwealth or State would request a refund, partially or in full, for unspent grant contributions.

Grants relating to the purchase of property plant and equipment are recognised 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".

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.

(k) Expenses

(i) Operating lease payments

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

(ii) Net financing costs

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

Derbarl Yerrigan Health Service Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2018

1. Statement of Significant Accounting Policies (cont.)

(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

The financial statements provide comparative information in respect of the previous period. The re-classification of items in the financial statements of the previous period was made in accordance with the classification of items in the financial statements of the current period.

(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.

Derbarl Yerrigan Health Service Aboriginal Corporation

Notes to the Financial Statements

For the Year Ended 30 June 2018

1. Statement of Significant Accounting Policies (cont.)

(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 immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at amortised cost using the effective interest method. 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.

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 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).

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.

Derecognition

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.

Derbarl Yerrigan Health Service Aboriginal Corporation
Notes to the Financial Statements
For the Year Ended 30 June 2018

1. Statement of Significant Accounting Policies (cont.)

(r) Grant Acquittals

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.

Derbarl Yerrigan Health Service Aboriginal Corporation
Notes to the Financial Statements
For the Year Ended 30 June 2018

2. Grant revenue	Note	2018 \$	2017 \$
Grants received – recurrent		11,144,304	11,346,126
Grants received – other		102,668	205,199
Unexpended grants b/forward – recurrent		-	247,637
Unexpended grants b/forward – other		205,484	-
Unexpended grants c/forward		(35,666)	(205,484)
		<u>11,416,790</u>	<u>11,593,478</u>

3. Financial Income

Interest income		16,033	86,713
		<u>16,033</u>	<u>86,713</u>

4. Other Income

Employee car contribution		12,440	14,140
Medical income		14,789	7,724
Rent received		15,624	38,251
Sundry income		1,284	35,269
Training subsidy		2,292	1,250
PATS Income		209,520	182,565
Insurance Re-imbursement		-	42,162
Paid Parental Leave Re-imbursement		-	33,688
Other		39,373	25,583
		<u>295,322</u>	<u>380,632</u>

5. Administration Expenditure

Operational

Advertising		399	22,500
Agency staff		739,775	611,126
Ambulance Cover		6,082	12,031
Audit		59,847	59,500
Bad and doubtful debts expense / (reversal)		-	(3,162)
Bank Charges		1,216	1,461
Blue Telephone Expenses		496	475
Catering		18,806	33,813
Christmas Function		12,305	8,712
Cleaning		160,932	166,035
Client Expenses		72	2,754
Compliance		18,025	68,757
Consultants fees		24,850	-
Consumables		113	1,718
Dental Services & Dental Supplies		90,452	78,087
Drug Testing Cost		910	3,129
Events		9,943	46,757
Food assistance / vouchers for clients		5,890	79,197
Food – residents / clients		58,806	71,320
Fringe Benefits Tax		23,388	7,668

Derbarl Yerrigan Health Service Aboriginal Corporation
Notes to the Financial Statements
For the Year Ended 30 June 2018

5. Administration Expenditure (cont.)

	Note	2018	2017
		\$	\$
Hire of plant and equipment		8,892	8,332
Home Maintenance		5,298	9,094
Insurance – general		94,650	93,143
Insurance – workers compensation		212,585	144,370
Internet fees		64,128	60,262
Legal fees		91,932	28,711
Licences & Fees		2,786	1,474
Medical supplies		174,117	208,489
Minor equipment and software purchases		34,405	65,455
NAIDOC day expenses		41,841	37,164
Other emergency assistance for Clients		1,731	4,556
Pharmacy expenses		39,486	38,338
Postage		14,578	19,033
Printing and stationery		59,578	75,406
Promotional products		91,487	110,541
Rates and taxes		61,377	65,305
Records management		16,734	16,099
Repairs and maintenance		50,597	43,896
Security		449,921	400,926
Software licenses		63,979	61,644
Sponsorship/donations		-	763
Staff amenities		25,149	28,744
Staff recruitment		5,977	17,176
Staff training		57,493	112,774
Subscriptions and publications		52,343	22,579
Sundry expenses		77	70
Support staff services		6,454	9,353
Telephone		149,676	153,681
Travel and accommodation		1,406	18,481
Travel and transport assistance		61,378	49,174
Uniform expenses		2,006	7,890
Total Operational Administration Expenses		3,174,368	3,184,801
<u>Board Related</u>			
Agency Staff		14,300	39,967
AGM expenses		13,826	7,166
Board conferences		2,909	4,091
Board travel cost and accommodation		11,293	4,014
Board travel to meetings		359	15,297
Catering		2,686	3,545
Christmas function		-	338
Cleaning		200	-
Consultants fees		39,500	151,455
Events		935	3,720
45th Anniversary		5,800	-
Hire of plant and equipment		527	-
Honorariums		1,009	6,000
Insurance – workers compensation		815	-
Internet fees		343	-
Legal fees		21,699	39,604
Minor equipment and software purchases		381	-
Postage		6,961	-

Derbarl Yerrigan Health Service Aboriginal Corporation
Notes to the Financial Statements
For the Year Ended 30 June 2018

5. Administration Expenditure (cont.)

	Note	2018	2017
		\$	\$
Printing and stationery		7,328	-
Security		689	-
Sitting fees		50,149	158,950
Sponsorship/donation		(500)	-
Subscriptions & publications		678	-
Staff Training		1,541	-
Superannuation contributions		9,727	14,612
Salaries and wages- Secretariat and AGM/SGM staff		78,505	48,262
Staff amenities		52	125
Staff recruitment		319	-
Total Board Related Administration Expenses		272,031	497,146
Total Administration Expenses		3,446,399	3,681,947

6. Personnel Expenses

Wages and salaries	9,486,499	9,977,794
Superannuation contributions	850,337	881,389
Other personnel expenses	760,199	651,871
	11,097,035	11,511,054

7. Cash and Cash Equivalents

Cash on hand	800	800
Cash at Bank	3,482,533	3,774,315
Call deposits	5,657	5,516
	3,488,990	3,780,631

8. Trade and Other Receivables

Current

Trade receivables and other receivables	166,391	107,471
Net GST receivable	189,801	2,848
	356,192	110,319

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

Accounts receivable and other receivables	356,192	110,319
Total Current	356,192	110,319

9. Prepayments

Prepayments	550,375	355,767
	550,375	355,767

Derbarl Yerrigan Health Service Aboriginal Corporation
Notes to the Financial Statements
For the Year Ended 30 June 2018

10. Property Plant and Equipment

Cost	Land	Buildings	Motor vehicles	Office equipment	Plant & equipment	Artworks	Total
	\$	\$	\$	\$	\$	\$	\$
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	1,127,188	2,850,164	727,798	983,104	1,270,022	16,333	6,974,609
Balance at 1 July 2017	1,127,188	2,850,164	727,798	983,104	1,270,022	16,333	6,974,609
Acquisitions	-	-	767,520	23,116	9,006	-	799,642
Disposals	-	-	(727,535)	-	-	-	(737,535)
Balance at 30 June 2018	1,127,188	2,850,164	767,783	1,006,220	1,279,028	16,333	7,036,716
Depreciation and impairment losses							
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	-	2,100,769	219,850	879,604	1,113,551	16,333	4,330,107
Balance at 1 July 2017	-	2,100,769	219,850	879,604	1,113,551	16,333	4,330,107
Depreciation charge for the year	-	182,952	90,776	67,210	73,849	-	414,787
Disposals	-	-	(56,366)	-	-	-	(56,366)
Balance at 30 June 2018	-	2,283,721	254,260	946,814	1,187,400	16,333	4,688,528
Carrying amounts							
At 1 July 2017	1,127,188	749,394	507,948	103,500	156,472	-	2,644,502
At 30 June 2018	1,127,188	567,443	513,523	59,406	91,628	-	2,358,188

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 impairment.

Derbarl Yerrigan Health Service Aboriginal Corporation
Notes to the Financial Statements
For the Year Ended 30 June 2018

11. Trade and Other Payables

	Note	2018	2017
		\$	\$
Trade payables and accrued expenses		1,580,151	1,302,730
		<u>1,580,151</u>	<u>1,302,730</u>

12. Unexpended Grants

Recurrent	-	175,474
Other	78,294	30,039
	<u>78,294</u>	<u>205,513</u>

13. Employee Benefits Provision

Current

Annual leave	585,825	506,971
Long service leave	483,265	564,604
	<u>1,069,090</u>	<u>1,071,575</u>

Non-current

Long service leave	179,332	155,177
	<u>179,332</u>	<u>155,177</u>

Annual Leave

Opening balance	506,971	480,616
Add: Accrued leave	708,789	734,542
(Less): Leave taken	(629,935)	(708,187)
Closing Balance	<u>585,825</u>	<u>506,971</u>

Long Service Leave - Current

Opening balance	564,604	594,187
Add: Accrued leave	104,596	117,888
(Less): Leave taken	(185,935)	(147,471)
Closing balance	<u>483,265</u>	<u>564,604</u>

Long Service Leave - Non-Current

Opening balance	155,177	110,718
Add: Accrued leave	24,155	44,459
(Less): Leave taken	-	-
Closing balance	<u>179,332</u>	<u>155,177</u>

Derbarl Yerrigan Health Service Aboriginal Corporation
Notes to the Financial Statements
For the Year Ended 30 June 2018

14. 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:

Name	Position	Period of tenure (Board)
Edward Wilkes	Board Member	13/02/16 – 13/07/17
John Penny	Treasurer (Part Yr.)	22/11/14 – 26/08/17
Michelle Nelson-Cox	Treasurer	22/11/14 – 19/09/18
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
Charne Hayden	Secretary (Part Yr.) & President (Part Yr.)	13/02/16 – 26/08/17
Kerry Hunt	Board Member	01/12/16 - Present
Jacqueline Oakley	Chairperson	26/08/17 - Present
Francine Eades	Deputy Chairperson	26/08/17 - Present
Louise Tucker	Secretary	26/08/17 - Present
Marley Nelson	Board Member	26/08/17 – 14/10/17
Dorothy Henry	Board Member	26/08/17 - 14/10/17
Fabian Yarran	Board Member	26/08/17 - 14/10/17
Laurence Riley	Board Member	26/08/17 – 14/10/17 05/10/18 - Present
Roger Turvey	Board Member	26/08/17 - Present
Barbara McGillivray	Board Member	26/08/17 - 14/10/17
Greg Ugle	Board Member	26/08/17 - Present

Derbarl Yerrigan Health Service Aboriginal Corporation
Notes to the Financial Statements
For the Year Ended 30 June 2018
Details of payments to Board Members during the year:

		2018	2017
		\$	\$
Laurence Riley:	Meeting fees	685	6,150
	Superannuation	65	584
	Travel allowance	-	408
	Honorariums	-	-
		750	7,142
Sharon Bushby:	Meeting fees	877	13,400
	Superannuation	-	1,273
	Travel allowance	-	422
	Honorariums	-	-
		877	15,095
Colin Garlett:	Meeting fees	1,140	13,800
	Superannuation	96	1,311
	Travel allowance	337	2,196
	Honorariums	135	-
		1,708	17,307
Charne Hayden:	Meeting fees	1,403	19,800
	Superannuation	119	1,881
	Travel allowance	-	3,123
	Honorariums	291	1,600
		1,813	26,404
Michelle Nelson-Cox:	Meeting fees	5,845	12,350
	Superannuation	443	1,173
	Travel allowance	-	929
	Honorariums	-	-
		6,288	14,452
Patrick Smith:	Meeting fees	877	15,100
	Superannuation	-	1,435
	Travel allowance	-	983
	Honorariums	-	-
		877	17,518
Reginald Yarran	Meeting fees	-	3,150
	Superannuation	-	299
	Travel allowance	-	339
	Honorariums	-	904
		-	4,692
Edward Wilkes:	Meeting fees	274	12,350
	Superannuation	-	1,135
	Travel allowance	-	221
	Honorariums	-	-
		274	13,706

Derbarl Yerrigan Health Service Aboriginal Corporation
Notes to the Financial Statements
For the Year Ended 30 June 2018

14. Related party information (cont.)

		2018 \$	2017 \$
Robert Smith:	Meeting fees	-	5,000
	Superannuation	-	442
	Travel allowance	-	486
	Honorariums	-	-
		-	5,928
Ted Hart:	Meeting fees	-	4,150
	Superannuation	-	-
	Travel allowance	-	2,752
	Honorariums	-	-
		-	6,902
John Penny:	Meeting fees	1,140	17,300
	Superannuation	96	1,644
	Travel allowance	-	1,056
	Honorariums	291	1,600
		1,527	21,600
Deanne Lewis:	Meeting fees	1,140	18,250
	Superannuation	96	1,734
	Travel allowance	-	961
	Honorariums	291	1,600
		1,527	22,545
Kevin Cox:	Meeting fees	-	9,700
	Superannuation	-	898
	Travel allowance	-	1,112
	Honorariums	-	296
		-	12,006
Kerry Hunt	Meeting fees	4,699	8,450
	Superannuation	65	803
	Travel allowance	-	309
	Honorariums	-	-
		4,764	9,562
Francine Eades:	Meeting fees	4,968	-
	Superannuation	443	-
	Travel allowance	22	-
	Honorariums	-	-
		5,433	-
Dorothy Henry:	Meeting fees	685	-
	Superannuation	65	-
	Travel allowance	-	-
	Honorariums	-	-
		750	-

Derbarl Yerrigan Health Service Aboriginal Corporation
Notes to the Financial Statements
For the Year Ended 30 June 2018

14. Related party information (cont.)

		2018 \$	2017 \$
Barbara McGillivray:	Meeting fees	685	-
	Superannuation	65	-
	Travel allowance	-	-
	Honorariums	-	-
		750	-
Marley Nelson:	Meeting fees	685	-
	Superannuation	- 17	-
	Travel allowance	-	-
	Honorariums	-	-
		668	-
Jacqueline Oakley:	Meeting fees	6,115	-
	Superannuation	581	-
	Travel allowance	-	-
	Honorariums	-	-
		6,696	-
Louise Tucker:	Meeting fees	4,969	-
	Superannuation	443	-
	Travel allowance	-	-
	Honorariums	-	-
		5,412	-
Roger Turvey:	Meeting fees	3,822	-
	Superannuation	65	-
	Travel allowance	-	-
	Honorariums	-	-
		3,887	-
Greg Ugle:	Meeting fees	3,822	-
	Superannuation	65	-
	Travel allowance	-	-
	Honorariums	-	-
		3,887	-
Fabian Yarran:	Meeting fees	685	-
	Superannuation	65	-
	Travel allowance	-	-
	Honorariums	-	-
		750	-
TOTAL	Meeting fees	44,516	158,950
	Superannuation	2,755	14,612
	Travel allowance	359	15,297
	Honorariums	1,008	6,000
		48,638	194,859

Derbarl Yerrigan Health Service Aboriginal Corporation
Notes to the Financial Statements
For the Year Ended 30 June 2018

14. Related party information (cont.)

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:

Des Martin (Acting Chief Executive Officer) – 08/04/2017 to 17/07/2017 (Not remunerated by the Service)
 Jenny Bedford (Chief Executive Officer) – 17/7/2017 – Current
 Samantha Meager (Finance Director) – 15/10/2013 – 18/07/2018
 Donald Msapenda (Human Resources Manager) – 06/06/2017 – 20/04/2018
 Susannah Rawlinson (Medical Director) – 04/12/2017 – 01/06/2018
 Evan Hill (Acting Clinical Operations Manager) – (Not remunerated by the Service) – 08/04/2017 – 07/05/2018
 Suzanne Taylor (Clinical Operations Manager) – 07/05/2018 - Current

	2018	2017
	\$	\$
Executive Remuneration		
Short-term employee benefits	643,645	476,325
Post-employment benefits (Superannuation)	59,286	43,943
Long-term employee benefits	12,379	5,357
Total executive remuneration	715,310	525,625

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

15. Financial Risk Management

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 \$34,890 (2017: \$37,777) movement.

Derbarl Yerrigan Health Service Aboriginal Corporation
Notes to the Financial Statements
For the Year Ended 30 June 2018

16. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2018 \$	2017 \$
Less than one year	151,485	357,234
Between one and five years	144,535	60,789
	296,020	418,023

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.

17. Contingent Liabilities

There are no contingent liabilities existing at 30 June 2018 (2017: Nil).

18. Capital commitments

The Service has no capital commitments in place as at 30 June 2018 (2017: Nil).

19. Events subsequent to balance date

At the date of signing, the organisation was in the process of negotiating an extension on the Mirrabooka lease for either a 3 or 5 year period. Given that the amount relating to the future commitment is contingent on the extension option chosen the amount cannot be reasonably quantified.

The Treasurer Michelle Nelson-Cox resigned on the 19th September 2018. Laurence Riley filled the vacant position as the next qualified elected member on the 5th October 2018.

No other material matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Service, the results of those operations, or the state of affairs of the Service in future financial years.

20. Organisation details

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

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

Auditor's Independence Declaration to the Members of Derbarl Yerrigan Health Service Aboriginal Corporation

In relation to our audit of the financial report of Derbarl Yerrigan Health Service Aboriginal Corporation for the financial year ended 30 June 2018 and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012* and Subdivision 339-50 of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.



Ernst & Young



Pierre Dreyer
Partner
26 October 2018

Independent Auditor's Report to the Members of Derbarl Yerrigan Health Service Aboriginal Corporation

Report on the Financial Report

Opinion

We have audited the financial report of Members of Derbarl Yerrigan Health Service Aboriginal Corporation (the 'Registered Entity'), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Registered Entity is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, including:

- a) Giving a true and fair view of the Registered Entity's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulations 2013* and the *Corporations (Aboriginal and Torres Strait Islander) Regulations 2017*.

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 Registered 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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 Registered Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for-Profits Commission Act 2012* and *Corporations (Aboriginal and Torres Strait Islander) Act 2006* 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 Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 Registered 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 Registered 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 Registered 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.

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.



Ernst & Young



Pierre Dreyer
Partner
Perth
26 October 2018