

**Dandenong & District Aborigines
Co-operative Limited**

ABN : 34 256 073 685

**Financial Report For The Year Ended
30 June 2019**

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Glossary of Acronyms

ABS	Aboriginal Best Start
ACCHO	Aboriginal Community Controlled Health Organisation
AH	Access Health
AHPACC	Aboriginal Health Promotion and Chronic Care
AWDI	Aboriginal Workforce Development Initiative
BHS	Bunurong Health Service
Cardinia	Shire of Cardinia
Casey	City of Casey
CGD	City of Greater Dandenong
DDACL	Dandenong & District Aborigines Co-operative Ltd
DET	Department of Education and Training
DHHS	Department of Health & Human Services
DoHA	Department of Health & Ageing (formerly OATSIH)
DoJR	Department of Justice and Regulation
FCC	Frankston City Council
FS	Family Services
HACC	Home and Community Care
ITC	Integrated Team Care
MHO	Mental Health Outreach
MHO	Monash Health
MPS	Mornington Peninsula Shire
NMDGPI	Nairm Marr Djambana Gathering Place Inc
NWL	Ngwala Willumbong Ltd
PH	Peninsula Health
PIRS	Patient Information Referral System
PM&C	Department of Prime Minister & Cabinet
QUMAX	Quality Use of Medicines Maximised
SEMPHN	South East Melbourne Primary Health Network
SH	Star Health
SVACCA	Southern VACCA
TIC	Tackling Indigenous Smoking
WWAA	Wilam Warrain Aboriginal Association

DIRECTORS' REPORT

The directors present their report together with the financial statements of Dandenong & District Aborigines Co-operative Limited ("the Co-operative") for the year ended 30 June 2019 and the independent audit report thereon.

Directors' details

The following persons were directors of the Co-operative during or since the end of the financial year.

	Board Meetings during the financial year	
	Number eligible to attend	Number attended
Patricia Ockwell	4	4
Margaret Gardiner	11	10
Elaine Taylor	4	2
Stewart Taylor	11	9
Chris Walker	11	11
Lesley Gardener	7	4
Amelia Seymour	7	4
Lucille Boothey	7	4
Sharon Blow	7	6

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Patricia Ockwell

Patricia has been a member of the Co-operative since 1977, has served on the Board for many years. Patricia has been involved in Aboriginal affairs for approximately 41 years and is a former Chairperson of the Co-operative. Patricia has been involved with Aboriginal Housing Victoria for 31 years. Patricia is a senior elder of the Wurundjeri Tribal Council and is a Life Member.

Patricia is also a Director of the Aboriginal Community Elders Services (ACES) and is currently Vice Chairperson. Patricia also sits on the Koori Children's Court, Broadmeadows Adult Koori Court, the Melbourne Magistrates Adult and Children's Court and the Dandenong Children's Koori Court.

Margaret Gardiner

Re-elected 22/01/2017 for a three-year term.

Margaret was Chairperson for several years until March 2016 and then re-elected as the Deputy Chairperson of the Board of Directors. Margaret has been a member of the Co-operative for over 33 years.

Margaret was elected Deputy Chair and has a life-long commitment to the community and this organization and has served on the Board at various times and has also been a Manager, Administrator and Receptionist in the past. Here special interest in Elders, Housing, Mental Health and Community Health.

DIRECTORS' REPORT CONTINUED

Directors' details continued

Elaine Taylor

Elaine has been involved In Aboriginal Affairs for over 46 years, has worked at VALS and VACCA, served as a Board Member at VALS, VACCA and VAYSAR and was an elected ATSIC Regional Councilor.

Elaine was one of the first members of the Co-operative and her Mother and Father were among the founding members. Elaine currently sits on the Koori Children's court at Dandenong and Melbourne and also at the Melbourne Magistrates Court.

Stewart Taylor

Re-elected 22/01/2017 for a three-year term.

Stewart has operated his own telecommunication business. He is the ACLO with VicPol and has been involved with the Youth Cautioning project. Stewart has been involved with the Massive Murray Paddle for 13 years and a Kayak has been named after him for his dedication to supporting young people in this event. He has a special interest in youth activity and development.

Stewart was elected Chairperson at the first Board meeting after the last AGM and has been in that position since that time.

Lesley Gardener

Elected 25/11/2018 for a three-year term.

Lesley has been committed to the community all her life and has worked for the Co-operative, Monash Health, the Department of Education and Training as a KESO, and now at Monash Health in the Aboriginal Health Team.

Lesley had prior experience on the Board and that experience has given her the capacity to make a good contribution to the Board this year, along with her community connections helps her to engage and communicate the Co-operative's model of improvement. Her special interest are in Housing and Young people.

DIRECTORS' REPORT CONTINUED

Directors' details continued

Christopher Walker

Elected 25/11/2018 for a three-year term.

Chris holds a Bachelor of Education (Personal development, Health & Physical Education). He was on the Governing Committee for the Yorta Yorta Nation from 1999 - 2004 and has been a member of the Co-operative since its inception. Chris's main interests are community development, music and business development.

Chris was elected Secretary and has been in that role since that time.

Amelia Seymour

Elected 25/11/2018 for a three-year term.

Amelia has been involved in the community since a child. She has been employed in Youth Justice within the Department of Health and Human Services and then with Department of Justice & Regulation as the Executive Officer for the Southern RAJAC where she excelled and worked with many community members and various agencies.

Sharon Blow

Elected 25/11/2018 for a three-year term.

Sharon has been involved with the community since young and brings a wealth of experience to the Board from working with young people and families for many years. She has worked for both VACCA & the DDACL setting up the family support program & the Playgroups for both organisations. Her special personality engages with anyone at any level. Her compassion and sensitivity is boundless.

Lucille Boothey

Elected 25/11/2018 for a three-year term.

Lucille has been a member for over thirty-years and has been involved in the community and has a special interest in young people, their health and housing for our people.

Lucille has been involved in the community PAG activities on occasion and she recognises that it has been a great experience being a part of the board.

Principal Activities

The principal activity of the Co-operative during the financial year was Aboriginal Community Advancement, including the provision of Comprehensive Primary Health Care and Allied Health Services, Maternity Services (ante and post natal), Aboriginal Health Promotion and Chronic Care, Social and Emotional Well Being, Home and Community Care, Family Services, Youth Services, Bringing Them Home (Stolen Generations), Aboriginal Best Start and a Community Housing Program. Funding to conduct these activities was provided by grants received from state and federal government agencies. The information contained herein is presented on a consolidated basis covering all services provided under the programs.

There have been no significant changes in the nature of these activities during the year.

DIRECTORS' REPORT CONTINUED

Principal Activities

The principal activity of the Co-operative during the financial year was Aboriginal Community Advancement, including the provision of Comprehensive Primary Health Care and Allied Health Services, Maternity Services (ante and post natal), Aboriginal Health Promotion and Chronic Care, Social and Emotional Well Being, Home and Community Care, Family Services, Youth Services, Bringing Them Home (Stolen Generations), Aboriginal Best Start and a Community Housing Program. Funding to conduct these activities was provided by grants received from state and federal government agencies. The information contained herein is presented on a consolidated basis covering all services provided under the programs.

There have been no significant changes in the nature of these activities during the year.

Strategies

Strategies that have been established to enhance the operations of the Co-operative in the future financial year are: the continuing development of the Bunurong Healthy Lifestyle Team (BHLT) and implementation of the Regional Action Plan and the Social Marketing Campaign on Tobacco Action. Also continuing member involvement in the emerging South East Melbourne Primary Health Network (SEMPHN).

The Chief Executive Officer continues to represent the Co-operative and community at various meetings with funding agencies, mainstream agencies and with the peak health body - Victorian Aboriginal Community Controlled Health Organisation. The Executive Management Team has continued to add value and strength to the leadership, management and coordination of operations.

Events Subsequent to the End of the Reporting Period

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

Indemnification of Officers

During the financial year, the Co-operative paid a premium in respect of a contract insuring the directors of the Co-operative and all executive officers of the Co-operative against a liability incurred as such a director or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the cover and the amount of the premium.

The Co-operative has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Co-operative or of any related body corporate against a liability incurred as such officer or auditor.

DIRECTORS' REPORT CONTINUED

Proceedings on Behalf of the Co-operative

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

The Co-operative was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the Auditor's independence Declaration as required under s.60-40 of the *Australian Charities and Not for profits Commission Act 2012* is included in page 8 of this financial report and forms part of the Directors' Report.

Signed in accordance with a resolution of the directors.

Director:


Stewart Taylor

Date:


23 December 2019

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF DANDENONG & DISTRICT ABORIGINES CO-OPERATIVE
LIMITED**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Dandenong & District Co-operative Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- i. No contraventions of the auditor independence requirements of the 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit

Ryecrofts



Terrence Vail
Director

Dated: 23rd day of December 2019

**Statement of Profit or Loss and Other Comprehensive Income
 for the Year Ended 30 June 2019**

	Note	2019	2018
		\$	\$
Grant revenue	4	4,754,988	3,953,135
Other income	4	696,178	527,769
Employee benefits expense		(2,583,835)	(2,392,534)
Depreciation expense		(137,981)	(122,526)
Motor vehicle expense		(186,407)	(180,948)
Maintenance expense		(127,189)	(106,746)
Special projects expense		(267,006)	(187,156)
Utilities expense		(263,506)	(269,271)
Professional services expense		(73,767)	(77,616)
Medical fees expense		(289,989)	(320,956)
Other expenses		(1,353,494)	(789,569)
Surplus for the year before tax		167,991	33,582
Income tax expense	3.2	-	-
Surplus for the year		167,991	33,582
Other comprehensive income for the year		-	-
Total comprehensive income for the year		167,991	33,582

The accompanying notes form part of these financial statements

**Statement of Financial Position
as at 30 June 2019**

	Note	2019 \$	2018 \$
Assets			
Current Assets			
Cash and cash equivalents	6	4,028,781	3,925,733
Trade and other receivables	7	394,028	72,237
Total Current Assets		4,422,809	3,997,970
Non-Current Assets			
Plant and equipment	8	3,085,916	3,108,885
Total Non-Current Assets		3,085,916	3,108,885
Total Assets		7,508,725	7,106,855
Liabilities			
Current Liabilities			
Trade and other payables	9(a)	1,776,665	1,566,805
Provisions	10	316,176	270,649
Total Current Liabilities		2,092,841	1,837,454
Non-Current Liabilities			
Provisions	10	58,022	79,530
Total Non-Current Liabilities		58,022	79,530
Total Liabilities		2,150,863	1,916,984
Net Assets		5,357,862	5,189,871
Equity			
Contributed equity		938	938
Reserves	11	3,158,078	3,158,078
Retained surplus		2,198,846	2,030,855
Total Equity		5,357,862	5,189,871

The accompanying notes form part of these financial statements

**Statement of Changes in Equity
for the year ended 30 June 2019**

	Asset Revaluation	Capital Grants	Special Purpose	Contributed Equity	Retained Surplus	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	54,755	3,084,418	18,905	938	1,997,273	5,156,289
Net surplus for the year	-	-	-	-	33,582	33,582
Other comprehensive income for the year	-	-	-	-	-	-
Balance at 30 June 2018	54,755	3,084,418	18,905	938	2,030,855	5,189,871
Balance at 1 July 2018	54,755	3,084,418	18,905	938	2,030,855	5,189,871
Net surplus for the year	-	-	-	-	167,991	167,991
Other comprehensive income for the year	-	-	-	-	-	-
Balance at 30 June 2019	54,755	3,084,418	18,905	938	2,198,846	5,357,862

The accompanying notes form part of these financial statements

**Statement of Cash Flows
 for the year ended 30 June 2019**

	Note	2019 \$	2018 \$
Cash Flows from Operating Activities			
Grants received		5,416,397	3,495,530
Receipts from customers		366,325	571,138
Interest received		(392)	336
Payments to suppliers and employees		(5,564,270)	(3,305,088)
Net cash generated by operating activities	14	218,060	761,916
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(115,012)	(75,651)
Net cash used in investing activities		(115,012)	(75,651)
Net Increase in Cash and Cash Equivalents		103,048	686,265
Cash and Cash Equivalents at the Beginning of the Financial Year		3,925,733	3,239,468
Cash and Cash Equivalents at the End of the Financial Year	6	4,028,781	3,925,733

The accompanying notes form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The financial report includes the financial statements and notes of Dandenong & District Aborigines Co-Operative Limited ("the Co-operative").

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for profits Commission Act 2012*. Dandenong & District Aborigines Co-Operative Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2019 were approved and authorised for issue by the Board of Directors on the 20 December 2019.

NOTE 2 CHANGES IN ACCOUNTING POLICIES

2.1 New and revised standards that are effective for these financial statements

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the co-operative. The co-operative has decided not to early adopt any of these new and amended pronouncements. The co-operative's assessment of the new and amended pronouncements that are relevant to the co-operative and are applicable in future reporting periods is set out below.

These standards have not materially impacted the co-operative's financial statements.

AASB 16: Leases

AASB 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

The accounting model for lessees will require lessees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets.

AASB 16 applies to annual periods beginning on or after 1 January 2019. The directors of the co-operative anticipate that the application of AASB 16 in the future may have a material impact on the amounts reported and disclosures made in the co-operative's financial statements. However, it is not practical to provide a reasonable estimate of the effect of AASB 16 until the co-operative performs a detailed review.

AASB 9: Financial Instruments

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and includes revised requirements for the classification and measurement of financial instruments, revised recognition and de-recognition requirements for financial instruments, revised impairment requirements and simplified requirements for hedge accounting. The financial assets and liabilities of the Co-operative consist of cash, receivables and payables. There is no material impact on transition to AASB 9 and AASB 9 associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

AASB 15: Revenue from Contracts with Customers

This Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 CHANGES IN ACCOUNTING POLICIES cont.

2.1 New and revised standards that are effective for these financial statements cont.

AASB 15: Revenue from Contracts with Customers cont.

The core principle of the Standard is that an entity will recognise 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 the goods or services.

There was no material impact on transition to AASB 15 (applicable to annual reporting periods beginning on or after 1 January 2018).

NOTE 3 SUMMARY OF ACCOUNTING POLICIES

3.1 Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

3.2 Income tax

No provision for income tax has been raised as the Co-operative is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

3.3 Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation on buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

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

Plant and equipment

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 SUMMARY OF ACCOUNTING POLICIES (continued)

3.3 Property, Plant and Equipment continued

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

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 Co-operative and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

<u>Class of fixed asset</u>	<u>Depreciation rate</u>
Buildings	2.50%
Plant and equipment	7.5% to 40%
Motor vehicles	20% to 25%
Leasehold improvements	33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

3.4 Revenue

Revenue from grants is accounted for on an accruals basis.

Interest revenue is recognised on a proportional basis taking into account the applicable interest rates.

Revenue from rent is recognised at the time the rent is due for payment.

Medicare revenue is accounted for on a cash receipts basis.

Sundry income is recognised at the time it becomes due and receivable.

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

3.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 SUMMARY OF ACCOUNTING POLICIES (continued)

3.6 Financial instruments

Financial assets and liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. 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 recognised immediately as expenses in profit or loss. Subsequent to initial recognition these instruments are measured as set out below.

(i) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial assets and financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

(iii) Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately.

(iv) Derecognition

Financial assets are derecognised where the contractual rights 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 or cancelled, or have expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

3.7 Impairment of Assets

At the end of each reporting date, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 SUMMARY OF ACCOUNTING POLICIES (continued)

3.8 Employee benefits

Short-term employee benefits

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

The entity's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Long-term employee benefits

The entity classifies employees' long service leave as long term employee benefits where they are not expected to be settled wholly within 12 months after the end of the annual reporting period. Provision is made for the entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The entity's obligations for long-term employee benefits are presented as:

- current liabilities where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.
- non-current liabilities where the entity has an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

3.9 Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented 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 presented as operating cash flows included in receipts from customers or payments to suppliers.

3.10 Leases

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 SUMMARY OF ACCOUNTING POLICIES (continued)

3.11 Trade and other payables

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

3.12 Comparative figures

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

3.13 Critical accounting estimates and judgments

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the Co-operative.

Key estimates - impairments

The Co-operative assesses impairment at each reporting date by evaluating conditions specific to the Co-operative that may lead to impairment of assets.

No impairment has been recognised in respect of any assets for the year ended 30 June 2019.

3.14 Correction of prior period errors

The comparative balances of unspent funds and grant income have been revised to correctly reflect the co-operative's income in the prior year.

The following line items in the financial report have been revised to reflect the revision:

	30 June 2018 Financial Statements	Revised comparative disclosure
	30/06/2018	30/06/2018
Statement of Profit or Loss and Other Comprehensive Income		
Grant revenue	3,988,218	3,953,135
Statement of Financial Position		
Current Liabilities		
Trade and Other Payables	1,531,722	1,566,805
Equity		
Retained Surplus	2,065,938	2,030,855
Statement of Changes in Equity		
Net Surplus for the Year	68,665	33,582

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 GRANT REVENUE AND OTHER INCOME

	2019	2018
	\$	\$
Grant Revenue		
Grant monies recurrent - Office for Aboriginal and Torres Strait Islander Health Service ("OATSHI/IRHD")	1,392,896	1,066,007
Grant monies - recurrent - Department of Health & Human Services ("DH&HS")	966,363	876,234
Grant monies - Department of Health	648,101	523,372
Other grant monies	1,530,008	1,323,614
OATSHI/IRHD - other grants	-	-
DHHS - other grants	217,619	198,991
Total Grant Revenue	4,754,988	3,988,218
Other Income		
Medicare income	299,549	267,622
Rental income	198,248	147,479
Interest income	392	366
Sundry income	197,989	112,302
Total Other Income	696,178	527,769
Total Grant Revenue and Other Income	5,451,165	4,515,987

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 GRANTS RECEIVED DURING THE YEAR

	2019	2018
	\$	\$
Grant monies - OATSIH/IRHD	1,338,585	1,190,202
Grant monies - DH&HS	1,837,504	1,341,007
Grant monies - DET Best Start Program	132,448	79,366
Department of Health	684,866	622,276
Department of Prime Minister & Cabinet	-	10,192
Other grant monies	1,422,994	252,487
Total grant monies received	5,416,397	3,495,530

NOTE 6 CASH AND CASH EQUIVALENTS

	2019	2018
	\$	\$
Current		
Cash on hand	750	350
Cash at bank	4,028,031	3,925,383
	4,028,781	3,925,733

NOTE 7 TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
Current		
Trade debtors	393,798	73,190
Prepayments	1,183	-
<i>less doubtful debts provision</i>	<i>(953)</i>	<i>(953)</i>
Total current trade and other receivables	394,028	72,237
Total trade and other receivables	394,028	72,237

The company has assessed the recoverability of amounts receivable and has provided adequately for potential impairment of receivables. There is no material credit risk exposure to any single receivable or group of receivables.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Plant & Equipment OATSIH/IRH D	Plant & Equipment Other	Motor Vehicles OATSIH/IRH D	Motor Vehicles Other	Leasehold Improvements	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Gross Carrying Amount								
Balance at 1 July 2018	1,284,000	2,703,882	410,284	251,354	54,570	180,985	32,749	4,917,824
Additions	-	-	112,578	-	-	-	2,434	115,012
Disposals	-	-	-	-	-	-	-	-
Balance at 30 June 2019	1,284,000	2,703,882	522,862	251,354	54,570	180,985	35,183	5,032,836
Accumulated Depreciation								
Balance at 1 July 2018	-	1,081,034	349,925	174,964	7,406	180,985	14,625	1,808,939
Depreciation expense	-	65,703	49,703	-	-	11,660	10,915	137,981
Eliminated on disposal of assets	-	-	-	-	-	-	-	-
Balance at 30 June 2019	-	1,146,737	399,628	174,964	7,406	192,645	25,540	1,946,920
Net Book Value								
As at 1 July 2018	1,284,000	1,622,848	60,359	76,390	47,164	-	18,124	3,108,885
As at 30 June 2019	1,284,000	1,557,145	123,234	76,390	47,164	(11,660)	9,643	3,085,916
Gross Carrying Amount								
Balance at 1 July 2017	1,284,000	2,707,681	405,168	234,644	61,938	180,985	32,749	4,907,165
Additions	-	-	14,830	32,782	28,039	-	-	75,651
Disposals	-	(3,799)	(9,714)	(16,072)	(35,407)	-	-	(64,992)
Balance at 30 June 2018	1,284,000	2,703,882	410,284	251,354	54,570	180,985	32,749	4,917,824
Accumulated Depreciation								
Balance at 1 July 2017	-	1,019,079	340,829	171,592	35,210	180,985	3,710	1,751,405
Depreciation expense	-	65,754	18,810	19,444	7,603	-	10,915	122,526
Eliminated on disposal of assets	-	(3,799)	(9,714)	(16,072)	(35,407)	-	-	(64,992)
Balance at 30 June 2018	-	1,081,034	349,925	174,964	7,406	180,985	14,625	1,808,939
Net Book Value								
As at 1 July 2017	1,284,000	1,688,602	64,339	63,052	26,728	-	29,039	3,155,760
As at 30 June 2018	1,284,000	1,622,848	60,359	76,390	47,164	-	18,124	3,108,885

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 TRADE AND OTHER PAYABLES

(a) Current Trade and Other Payables

		2019	2018
	Notes	\$	\$
Current			
Trade payables		401,675	293,164
Accrued expenses		108,399	176,060
Unexpended grants	9(b)	1,266,591	1,097,581
		1,776,665	1,566,805

(b) Unexpended Grants

Unexpended grants comprise the following:

P.I.R.S. - OATSIH		-	25,444
Tackling Smoking & Healthy Lifest		-	49,402
ACCHO Accreditation		-	1,056
Mental Health Outreach - DHS		149,627	58,374
Bunurong Health Serv - OATSIH		-	58,727
Mental Health Devel Off OATSIH		-	47,288
Other		-	63,540
Family Services - DHS		30,410	99,571
HACC - DHS		6,352	82,279
Maternity Services - DHS		145,128	105,453
DHS Miscellaneous projects		527,388	226,352
Integrated Team Care		-	78,916
Family Violence		170,398	70,217
Mental Health Project		6,736	7,095
Family Services - AFLDM Conv		1,930	1,930
Aborig Servs-Capacity Building		104,262	4,262
Aboriginal Comm Justice Panel		10,567	13,867
Victims Assist & Counselling		5,293	5,293
QUMAX - Pharmacy Guild of Australia		-	35,949
AHPACC		27,883	23,472
Best Start Project		37,441	-
Special Projects - Other		43,174	39,094
	9(a)	1,266,591	1,097,581

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9 TRADE AND OTHER PAYABLES (continued)

Glossary of acronyms

OAAV	Office of Aboriginal Affairs Victoria
AHPACC	Aboriginal Health Promotion and Chronic Care
DEECD	Department of Education and Early Childhood Development
DEEWR	Department of Education, Employment and Workplace Relations
DH&HS	Department of Health & Human Services
DSS	Department of Social Services
DoHA	Department of Health and Ageing
DOJ	Department of Justice
ER	Emergency Relief
FaHCSIA	Department of Family and Community Services and Indigenous Affairs
HACC	Home and Community Care
ICACC	Inter Council Aboriginal Consultative Committee
NNC	National Aboriginal and Islander Day Observance Committee
OATSIH	Office of Aboriginal and Torres Strait Islander Health
OIPC	Office of Indigenous Policy Coordination
PIRS	Patient Information Recall System
VALS	Victorian Aboriginal Legal Service
IRHD	Indigenous & Rural Health Division
DET	Department of Education & Training
ACJP	Aboriginal Community Justice Panel

NOTE 10 PROVISIONS

	2019	2018
	\$	\$
Current		
Annual leave provision	193,753	179,740
Long service leave provision	122,423	90,909
	316,176	270,649
Non-Current		
Long service leave provision	58,022	79,530
	58,022	79,530
	374,198	350,179

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 RESERVES

Asset revaluation

The asset revaluation reserve records revaluations of non-current assets.

Capital grants

The capital grants reserve records assets at written down value purchased with grant funds.

Special purpose

The special purpose reserve records an allocation of rental receipts in excess of expenditure.

NOTE 12 FINANCIAL RISK MANAGEMENT

The Co-operative's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and leases. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2019	2018
	\$	\$
Financial assets		
Cash and cash equivalents	4,028,781	3,925,733
Receivables	394,028	72,237
Total financial assets	4,422,809	3,997,970
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	510,074	469,224
Total financial liabilities	510,074	469,224

NOTE 13 KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation paid to key management personnel of the company is set out below.

	2019	2018
	\$	\$
Short-term employee benefits ¹	392,972	375,576
Post-employment benefits ²	68,847	32,093
	461,819	407,669

¹ Includes payments to directors for their services.

² Comprises payments to contributory superannuation funds.

The directors do not receive any remuneration for attendance at meetings.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 14 CASH FLOW INFORMATION

Reconciliation of cash flow from operations with surplus after income tax

	2019	2018
	\$	\$
Surplus after income tax	167,991	68,665
Non-cash flows in profit		
Depreciation	137,981	122,526
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	(321,791)	43,705
Increase/(decrease) in trade creditors	40,850	223,007
Increase/(decrease) in unexpended grants	169,009	250,084
Increase/(decrease) in provisions	24,019	53,929
Net cash provided by operating activities	218,060	761,916

NOTE 15 OPERATING LEASE COMMITMENTS

The company has operating leases relating to office facilities, office equipment and motor vehicles.

The office facilities lease for Factory 22, 87-89 Hallam South Road, Hallam, Victoria, 3803, is for an initial term of three years which expires on 1 February 2020. Thereafter there is an option for the company to extend the lease for a further period of three years. The current year's rent is \$67,458 per annum with an agreed rental increase of 3.75% on each anniversary of commencement.

The office equipment lease is for a fixed term of three years with no options to extend or to purchase the leased asset at the expiry of the lease period.

The motor vehicle leases range for a periods of one to five years with monthly payments made.

Non-Cancellable Operating Lease Commitments

	2019	2018
	\$	\$
Not longer than 1 year	141,201	184,912
Longer than 1 year and not longer than 5 years	26,755	167,955
Greater than 5 years	-	-
	167,955	352,867

NOTE 16 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 17 EVENTS AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the reporting year which significantly affected or may significantly affect the operations of the Co-operative, the results of those operations, or the state of affairs of the Co-operative in future financial years.

NOTE 18 AUDITOR'S REMUNERATION

	2019	2018
	\$	\$
Audit of the financial statements	11,800	11,800
Other assurance services	-	-
Consulting services	-	600
	11,800	12,400

NOTE 19 CO-OPERATIVE DETAILS

The registered office and principal place of business of the Co-operative is 62 Stud Road, Dandenong , Victoria, 3175.

DIRECTORS' DECLARATION

In the opinion of the Directors of Dandenong & District Aborigines Co-operative Limited:

a. The financial statements and notes of Dandenong & District Aborigines Co-operative Limited are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) Giving a true and fair view of its financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and

b. There are reasonable grounds to believe that Dandenong & District Aborigines Co-operative Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.


Stewart Taylor


20 December 2019

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**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF THE DANDENONG & DISTRICT ABORIGINES CO-OPERATIVE
LIMITED**

Opinion

We have audited the financial report of The Dandenong & District Aborigines Co-operative Limited ("the Co-operative") which comprises the statement of financial position as at 30 June 2019, 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, the accompanying financial report of the Co-operative is in accordance with 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 2019 and of its financial performance and cash flows for the year ended on that date; and
- ii. complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to those charged with governance, would be in the same terms if given as at the time of this auditor's report.

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

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

The directors are responsible for the other information. The other information comprises the information included in the Co-operative's financial report for the year ended 30 June 2019, 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 Co-operative are responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Co-operative to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Co-operative 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 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 the financial report

A further description of our responsibilities for the audit of the financial report is included in Appendix A of this auditor's report. This description, which is located directly after the audit report, forms part of our auditor's report.

RYECROFTS PTY LTD



Terry Vail
Director
Registered Company Auditor - 305706
Dated this 23rd day of December 2019

Appendix A: Auditor's Responsibilities for the Audit of the Financial Report

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

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

We communicate with those charged with governance 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.