

Yaandina Community Services Limited

ABN 40 284 552 805

Annual Report - 30 June 2020

Yaandina Community Services Limited
Directors' Report
30 June 2020

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

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Garry Bailey
Ruth Ellis
Fiona White-Hartig
Ross Humphries
Bronwyn Leon
Josie Alec (resigned 6 March 2020)
Jason Masters (resigned 13 November 2019)

Objectives

Yaandina is a community services organisation founded 45 years ago to provide support services and assistance to families and individuals in the West Pilbara. Yaandina's short term objective for 2019/20 was to establish well-credentialed Community Services and imbed Client Centric 'Fee for Service' businesses such as NDIS, Home Care and Residential Aged Care. In addition, funds were sourced to improve the assets of Yaandina by building or renovating 'Fit for Purpose' facilities to further enhance Yaandina's service offerings.

The long-term objective is to ensure Yaandina is ready and available to deliver the needs of the community when and where required. Yaandina's ultimate objective is to be known and recognised by the service it delivers and the positive impact those services have on the community.

Strategy for achieving the objectives

Yaandina will continue to update and renew its systems, policies and procedures to ensure compliance with all legislation that impacts upon its services, through its commitment to 'Continuous Improvement' practices and by obtaining and maintaining required accreditations.

Through its HR management practices, Yaandina will ensure that at all times it employs competent, skilled and culturally sensitive personnel and ensure they are upskilled to meet the demands of their position.

Yaandina will continue to network and maintain close relationships with its various Federal, State and local government funders and will continue to seek support from other sources such as major business. In addition, Yaandina will seek to be represented on any relevant community and or government committees dealing with the delivery of community services.

Principal activities

Yaandina's principle activities are in Aged and Community Care services, Drug and Alcohol services and Youth and Family services.

Funding is critical to the ongoing provision of these services. Consequently, the CEO and respective Service Managers maintain very close relationships with the relevant funders to ensure that Yaandina is recognised by its performance and compliance to regulatory requirements as a provider of choice.

Performance Measures

Yaandina's performance is measured in a number of ways, but principally its main indicator is its service delivery. This is measured by outcomes and community feedback. Internally, financial management, human resources, safety and legislative compliance are measured and reported upon at each board meeting.

Yaandina Community Services Limited

Directors' report

30 June 2020

Information on directors

Name: Garry Bailey
Title: Chairman
Experience and expertise: Garry is a City of Karratha Councillor, Post Master and Justice of the Peace. He has extensive experience in local government, local business and corporate relations. Garry has lived in Roebourne for over 30 years and has vast local knowledge and understands the unique issues and challenges the community are faced with. He and his wife Jenny have raised their 3 sons here while managing and operating the Roebourne Post Office.

Name: Ruth Ellis
Title: Deputy Chair
Experience and expertise: Ruth has lived in Roebourne for over 50 years, where she has married and raised her family. Ruth has worked in many roles in the community, including as Manager of the Sobering Up Shelter & Roebourne Visitor Centre, she has also been on the Committee of Roebourne Primary School P&C, Roebourne Advisory Group, St John Ambulance and currently, the Wickham Community Association, Yirramagardu Community Association and the Pilbara Aboriginal Church.

Name: Fiona White-Hartig
Title: Non-Executive Director
Qualifications: AICD
Experience and expertise: Fiona worked in the political arena in Canberra before working in the community sector for many years. Fiona has a boundless interest in community service and works hard to support her local community through the Wickham Community Association and the Roebourne Advisory Committee.

Name: Ross Humphries
Title: Non-Executive Director
Experience and expertise: Ross currently works as a Specialist in the Community Engagement team at Rio Tinto. He is of Nyoongar heritage and has experience working within the resources, local government and education sectors as well as volunteering with various local sporting and community groups.

Name: Bronwyn Leon
Title: Non-Executive Director
Experience and expertise: Bronwyn is an aboriginal woman from the Gumbaynggirri Nation. She has over 33 years' experience working in both Aboriginal Affairs and the health sector. Bronwyn's specialities include community development, community engagement, policy & strategic development, business planning, working in Aboriginal communities and across non-government & government sectors.

Name: Josie Alec (resigned 6 March 2020)
Title: Non-Executive Director
Experience and expertise: Josie is a proud Kuruma/Yindjibarndi woman who has worked for Yaandina since February 2019. Josie has been working in the Roebourne community for 18 years as a teacher, singer-songwriter, actress, business owner and artist.

Company secretary

Emma Dumbrell has held the role of Company Secretary since January 2016. Emma is an experienced practice manager with years of experience in bookkeeping, staff supervision and business development who brings a broad cross-section of skills to Yaandina.

Yaandina Community Services Limited
Directors' report
30 June 2020

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Garry Bailey	6	6
Ruth Ellis	5	6
Fiona White-Hartig	5	6
Ross Humphries	6	6
Bronwyn Leon	3	6
Josie Alec	3	4

Held: represents the number of meetings held during the time the committee member was a member of the relevant committee.

Contributions on winding up

The company is a public company limited by guarantee. The liability of each member is limited. Each member guarantees to contribute up to a maximum of one dollar to the assets of the company if it is wound up while the member is a member, or within one year afterwards, and at the time of winding up the debts and liabilities of the company exceed its assets. The liability of each member is limited to making such contributions and no more.

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

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 4 in the annual report and forms part of this report for the year ended 30 June 2020.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Garry Bailey
Non-executive Chairman

30 October 2020
PERTH

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 and Australian Charities and Not for Profits Commission Act 2012 Section 60-40

As the lead audit partner for the audit of the financial report of Yaandina Community Services Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* and the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully,



BENTLEYS
Chartered Accountants



CHRIS NICOLOFF CA
Partner

Dated at Perth this 30th day of October 2020

Yaandina Community Services Limited

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30 June 2020

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General information

The financial statements cover Yaandina Community Services Limited as an individual entity. The financial statements are presented in Australian dollars, which is Yaandina Community Services Limited's functional and presentation currency.

Yaandina Community Services Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 October 2020. The directors have the power to amend and reissue the financial statements.

Yaandina Community Services Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue	3	15,242,086	9,786,333
Expenses			
Other operating expenses	4	(3,985,553)	(3,711,433)
Employee benefits expense	4	<u>(6,265,510)</u>	<u>(5,880,869)</u>
		<u>(10,251,063)</u>	<u>(9,592,302)</u>
Operating Surplus for the year		4,991,023	194,031
Less: Unexpended grants carried forward	17	(1,293,969)	(1,679,540)
Less: Unexpended client fees	9	(104,235)	(117,605)
Net Surplus/(Deficit) for the year		<u><u>3,592,819</u></u>	<u><u>(1,603,114)</u></u>

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

Yaandina Community Services Limited
Statement of financial position
As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	5	1,944,023	2,746,907
Trade and other receivables	6	<u>176,236</u>	<u>57,525</u>
Total current assets		<u>2,120,259</u>	<u>2,804,432</u>
Non-current assets			
Right-of-use assets	7	348,993	-
Property, plant and equipment	8	<u>31,745,298</u>	<u>28,078,617</u>
Total non-current assets		<u>32,094,291</u>	<u>28,078,617</u>
Total assets		<u>34,214,550</u>	<u>30,883,049</u>
Liabilities			
Current liabilities			
Trade and other payables	9	554,413	891,294
Provision for employee benefits		306,362	213,346
Unexpended grants		1,293,968	1,679,540
Lease liabilities		<u>177,537</u>	<u>-</u>
Total current liabilities		<u>2,332,280</u>	<u>2,784,180</u>
Non-current liabilities			
Provision for long service leave		57,089	43,734
Provision for capital expenditure		10,834	10,834
Lease liabilities		<u>177,227</u>	<u>-</u>
Total non-current liabilities		<u>245,150</u>	<u>54,568</u>
Total liabilities		<u>2,577,430</u>	<u>2,838,748</u>
Net assets		<u>31,637,120</u>	<u>28,044,301</u>
Equity			
Reserves	11	125,817	125,817
Retained surpluses		<u>31,511,303</u>	<u>27,918,484</u>
Total equity		<u>31,637,120</u>	<u>28,044,301</u>

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

Yaandina Community Services Limited
Statement of changes in equity
For the year ended 30 June 2020

	Capital Replacement Reserve \$	Retained Earnings \$	Total equity \$
Balance at 1 July 2018	125,817	29,521,598	29,647,415
Transfer to reserve	-	-	-
Net (Deficit) for the year	-	(1,603,114)	(1,603,114)
Balance at 30 June 2019	125,817	27,918,484	28,044,301
	Capital Replacement Reserve \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2019	125,817	27,918,484	28,044,301
Transfer to reserve	-	-	-
Net Surplus for the year	-	3,592,819	3,592,819
Balance at 30 June 2020	125,817	31,511,303	31,637,120

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

Yaandina Community Services Limited
Statement of cash flows
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers		13,354,944	9,639,153
Payments to suppliers and employees		(9,173,426)	(8,172,113)
Interest received		20,547	19,797
Net cash from operating activities		<u>4,202,065</u>	<u>1,486,837</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(4,846,076)	(87,972)
Proceeds from disposal of property, plant and equipment		24,402	-
Net cash used in investing activities		<u>(4,821,674)</u>	<u>(87,972)</u>
Cash flows from financing activities			
Lease payments		(183,275)	(87,972)
Net cash used in financing activities		<u>(183,275)</u>	<u>(87,972)</u>
Net increase / (decrease) in cash and cash equivalents		(802,884)	1,398,865
Cash and cash equivalents at the beginning of the financial year		<u>2,746,907</u>	<u>1,348,042</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>1,944,023</u></u>	<u><u>2,746,907</u></u>

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

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

AASB 16 Leases

AASB 16 has been adopted from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

AASB 1058 'Income of Not-for-Profit Entities' & AASB 15 'Revenue from Contracts with Customers'

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

The Company has adopted AASB 1058 from 1 July 2019. This standard establishes principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives and the receipt of volunteer services. This standard also applies to contracts with customers that do not meet the criteria to be recognised under AASB 15.

Funding from government grants that are within the scope of AASB 1058 are recognised as income when the Company has contractual rights to receive the funding. All invoices are issued in accordance with a predetermined schedule detailed in the specific funding agreement.

AASB 15 'Revenue from Contracts with Customers'

The Company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Funding from governments are accounted in accordance with AASB 15 if the promises to be delivered are sufficiently specific.

Impact of adoption

The company adopted AASB 15 and AASB 1058 using the modified retrospective method of transition with the date of initial application of 1 July 2019. In accordance with the provisions of this transition approach and application of the practical expedient to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e. as at 1 July 2019, the company has assessed and concluded that there was no impact to the retained earnings at the date of initial application.

The impact of the new Accounting Standards compared with the previous Accounting Standards on the current reporting period is as follows:

Yaandina Community Services Limited
Notes to the financial statements
30 June 2020

	New \$	Previous \$	Difference \$
Right-of-use assets	348,993	-	348,993
Total Non-current assets	32,094,291	31,745,298	(348,993)
Lease liabilities (current)	177,537	-	177,537
Total current liabilities	2,577,430	2,399,893	177,537
Lease liabilities (non-current)	177,227	-	177,227
Total Non-current liabilities	245,150	67,923	177,227
Net assets	31,637,120	31,642,891	5,771

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations and the *Corporations Act 2001*, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

In the current year:

Operating Grants, Donations and Bequests

When the entity receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15,

All revenue is stated net of goods and services tax (GST).

When both these conditions are satisfied, the Entity:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant

When the Entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

Dividend Income

The Entity recognises dividends in profit or loss only when the Entity's right to receive payment of the dividend is established.

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

Unearned revenue

Amounts received in advance when the Company has not met all the conditions to obtain the control of the funding are accounted for as unearned revenue and are classified in the statement of financial position as a current liability.

In the comparative period:

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Donations

Donations are recognised at the time the pledge is made.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Yaandina Community Services Limited
Notes to the financial statements
30 June 2020

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other Receivables are recognised at amortised cost less any Expected Credit Losses (ECL). The company has reviewed its impairment methodology under AASB 9 for financial assets under the new ECL model for all its assets held at amortised cost. There has been no change in the impairment impacts on the financial statements as a result of this change in methodology.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) using expected depreciation rates as follows:

Buildings	2% - 2.5%
Property improvements	5% - 10%
Plant and equipment	15% - 100%
Motor vehicles	18% - 25%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Leases

The Entity as lessee

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparative Figures

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

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likelihood to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

Estimation of useful lives of assets

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

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Yaandina Community Services Limited
Notes to the financial statements
30 June 2020

Note 3. Revenue

	2020	2019
	\$	\$
Revenue		
Grants received	12,417,654	7,465,976
Interest received	20,547	19,797
Other revenue	2,803,885	2,300,560
	<u>15,242,086</u>	<u>9,786,333</u>

Note 4. Expenses

	2020	2019
	\$	\$
Surplus before income tax includes the following specific expenses:		
Other operating expenses		
Accounting fees	61,782	68,184
Bad debts	4,635	10,964
Client consumables	25,390	28,316
Depreciation	1,141,278	1,256,465
Depreciation – right of use asset	189,046	-
Occupancy costs	382,706	338,775
Program expenses	644,330	433,797
Repairs and maintenance	325,454	317,186
Other operating expenses	1,210,932	1,257,746
	<u>3,985,553</u>	<u>3,711,433</u>
Other operating expenses		
Employee benefits expense		
Wages	5,573,131	5,262,775
Superannuation	498,673	471,900
Staff training and welfare	193,706	146,194
	<u>6,265,510</u>	<u>5,880,869</u>
Employee benefits expense		

Note 5. Current assets – cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	1,944,023	2,746,907
Cash balance per statement of cash flows	<u>1,944,023</u>	<u>2,746,907</u>

Yaandina Community Services Limited
Notes to the financial statements
30 June 2020

Note 6. Current assets – trade and other receivables

	2020	2019
	\$	\$
Trade receivables	95,375	27,071
Deposit – Solar Panels	80,861	30,454
	<u>176,236</u>	<u>57,525</u>

During the year, the following losses were recognised in the profit or loss in relation to impaired receivables.

	2020	2019
	\$	\$
Impairment losses		
- Individually impaired receivables	4,635	10,964
	<u>4,635</u>	<u>10,964</u>

As at 30 June 2020, trade receivables of \$68,033 were past due but not impaired. The ageing of these trade receivables is as follows:

	2020	2019
	\$	\$
Up to 3 months	63,644	7,857
Greater than 3 months	4,389	4,550
	<u>68,033</u>	<u>12,407</u>

Note 7. Non-current assets – right-of-use assets

	2020	2019
	\$	\$
Right-of-use assets	<u>348,993</u>	<u>-</u>

Yaandina Community Services Limited
Notes to the financial statements
30 June 2020

Note 8. Non-current assets – property, plant and equipment

	2020	2019
	\$	\$
Land and buildings – at cost	37,652,370	32,933,766
Less: Accumulated depreciation	<u>(6,507,380)</u>	<u>(5,480,051)</u>
	31,144,990	27,453,715
Property improvements – at cost	204,582	184,333
Less: Accumulated depreciation	<u>(20,334)</u>	<u>(11,005)</u>
	184,248	173,328
Plant and equipment – at cost	1,131,582	1,047,900
Less: Accumulated depreciation	<u>(826,742)</u>	<u>(759,877)</u>
	304,840	288,023
Motor vehicles – at cost	441,819	572,774
Less: Accumulated depreciation	<u>(330,599)</u>	<u>(409,223)</u>
	111,220	163,551
	<u>31,745,298</u>	<u>28,078,617</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings \$	Property improvements \$	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2019	27,453,715	173,328	288,023	163,551	28,078,617
Additions	4,718,603	20,249	83,578	23,646	4,846,076
Disposals	-	-	-	(38,117)	(38,117)
Depreciation expense	<u>(1,027,328)</u>	<u>(9,329)</u>	<u>(66,761)</u>	<u>(37,860)</u>	<u>(1,141,278)</u>
Balance at 30 June 2020	<u>31,144,990</u>	<u>184,248</u>	<u>304,840</u>	<u>111,220</u>	<u>31,745,298</u>

Note 9. Current liabilities – trade and other payables

	2020	2019
	\$	\$
Client fees accrued	67	29,319
Sundry creditors	336	(3,803)
Other creditors	220,646	213,812
PAYG Payable	74,851	188,741
Superannuation Payable	41,889	40,404
Home Care – Unexpended Funds	104,235	117,605
Refundable Accommodation Deposit	245,556	258,237
Tax clearing account	<u>(133,167)</u>	<u>46,979</u>
	<u>554,413</u>	<u>891,294</u>

Yaandina Community Services Limited
Notes to the financial statements
30 June 2020

Note 10. Lease liabilities

Current Liabilities

	2020 \$	2019 \$
Lease liabilities	<u>177,537</u>	<u>-</u>

Non-Current Liabilities

	2020 \$	2019 \$
Lease liabilities	<u>177,227</u>	<u>-</u>

Note 11. Equity – Reserves

	2020 \$	2019 \$
Opening Balance	125,817	125,817
Capital replacement reserve	<u>125,817</u>	<u>125,817</u>

The capital replacement reserve records funds set aside for the future replacement of the company's plant, property and equipment.

Note 12. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the company is set out below:

	2020 \$	2019 \$
Aggregate compensation	<u>484,970</u>	<u>627,170</u>

Note 13. Contingent liabilities

The company had no contingent liabilities at 30 June 2020.

Note 14. Commitments

The company had no commitments for expenditure as at 30 June 2020 and 30 June 2019.

Note 15. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 12.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 16. Events after the reporting period

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Yaandina Community Services Limited
Notes to the financial statements
30 June 2020

Note 17. Schedule of unexpended grants

	1 July 2019 Balance	1 July 2019 to 30 June 2020 Released	30 June 2020 Expended	30 June 2020 Balance
Roebourne Youth Services				
RDA Seasons for Growth	-	24,750	24,750	-
PM&C OSC	-	100,000	100,000	-
Woodside Covid-19	-	24,000	9,641	14,359
CCPF LYFE	22,500	-	94	22,406
Connect Kids	10,000	-	4,690	5,310
Lotterywest	-	-	-	-
MHC Youth AOD	166,153	176,460	156,386	186,227
DCPFS	-	449,360	449,360	-
	<u>198,653</u>	<u>774,570</u>	<u>744,921</u>	<u>228,302</u>
Administration Fund				
PIDAS Underspend	-	72,000	72,000	-
Lotteries Detox Refurb	-	300,000	300,000	-
	<u>-</u>	<u>372,000</u>	<u>372,000</u>	<u>-</u>
Childrens Counsellor				
DCP Healing Centre - Operating	114,044	247,770	239,788	122,026
Safe Children Make Stronger Children	-	10,000	-	10,000
	<u>114,044</u>	<u>257,770</u>	<u>239,788</u>	<u>132,026</u>
Family Support				
BOOP Training	-	15,885	15,885	0
BUGK Training	-	3,500	3,500	-
Grant Income - DCS	9,150	237,817	216,062	30,906
Lottery Equipment	-	4,466	4,466	-
Lotterywest Emergency Relief FY2019	-	115,500	21,154	94,346
Mission ER	347	13,400	10,356	3,391
RDA BUGK	-	20,250	20,250	-
	<u>9,497</u>	<u>410,818</u>	<u>291,672</u>	<u>128,643</u>
Roebourne Sobering Up Shelter & Low Medical Detox				
MHC 477	-	897,822	897,822	-
Return to Country	-	1,150	1,150	-
Mingga Patrol funding-DAA	97,234	286,560	252,949	130,845
	<u>97,234</u>	<u>1,185,532</u>	<u>1,151,921</u>	<u>130,845</u>
Turner River Centre				
Dept PM & C	-	2,326,562	2,303,267	23,295
WAPHA After Hours AOD	-	20,000	16,361	3,639
WAPHA ALO	18,135	141,450	143,813	15,772
WAPHA AHPC	32,627	60,900	38,511	55,016
	<u>50,762</u>	<u>2,548,912</u>	<u>2,501,952</u>	<u>97,722</u>
Aged Care Hostel				
IEI Jobs Creation	-	111,153	111,153	-
ACRRRIG	138,078	136,394	85,307	189,165
ACAR Grant	500,000	4,000,000	4,294,102	205,898
	<u>638,078</u>	<u>4,247,547</u>	<u>4,490,562</u>	<u>395,063</u>
Home and Community Care				
HACC Funding - non recurrent	15,138	-	15,138	-
DOH - NATSIFACP	-	201,092	201,092	-
DOH - CHSP	-	445,015	445,015	-
DOH - HACC (17/18 Surplus)	30,728	-	30,728	-
DOH - HACC	-	66,857	66,857	-
	<u>45,866</u>	<u>712,964</u>	<u>758,830</u>	<u>-</u>
Community AOD				
AOD Program	525,405	228,000	572,038	181,367
	<u>525,405</u>	<u>228,000</u>	<u>572,038</u>	<u>181,367</u>
Unexpended Grants	<u>1,679,539</u>	<u>10,738,113</u>	<u>11,123,684</u>	<u>1,293,969</u>

Yaandina Community Services Limited
Directors Declaration
30 June 2020

In the opinion of the directors:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards - Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012* and associated regulations, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Garry Bailey
Non-executive chairman

30 October 2020
PERTH

Independent Auditor's Report

To the Members of Yaandina Community Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Yaandina Community Services Limited ("the Company"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Company is in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001* and *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001*, the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Independent Auditor's Report

To the Members of Yaandina Community Services Limited (Continued)



Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, 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 Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Corporations Act 2001*, the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report

To the Members of Yaandina Community Services Limited *(Continued)*



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

BENTLEYS
Chartered Accountants

CHRIS NICOLOFF CA
Partner

Dated at Perth this 30th day of October 2020