MURCHISON REGION ABORIGINAL CORPORATION

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2016

I. C. N. 500

MURCHISON REGION ABORIGINAL CORPORATION
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 2016
TABLE OF CONTENTS

CONTENTS	PAGE

MURCHISON REGION ABORIGINAL CORPORATION

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED
30 JUNE 2016

	Note		2016 $		2015 $
Revenue from ordinary activities	2		1,522,559		1,492,521
Employee benefit expense	3		(430,637)		(397,540)
Depreciation expense	3		(37,232)		(62,112)
Motor Vehicle costs	3		(21,220)		(47,100)
Provision for Doubtful Debts - Loans	3		90,000		(358,569)
Property expenses	3		(599,875)		(645,259)
Management, administration & other expenses	3		(226,694)		(328,701)
Profit / (Deficit) before income tax expense	1a		296,901		(346,761)
Income tax expense			Nil		Nil
Net Profit / (Deficit) after income tax expense			296,901		(346,761)
OTHER COMPREHENSIVE INCOME					
		0	0	0	0
Total comprehensive income for the year			296,901		(346,761)

MURCHISON REGION ABORIGINAL CORPORATION

STATEMENT OF FINANCIAL POSITION
AS AT
30 JUNE 2016

	Note	2016 $	2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	437,658	374,482
Trade and Other Receivables	6	98,304	118,250
TOTAL CURRENT ASSETS		535,962	492,733
NON-CURRENT ASSETS			
Property, plant & equipment	7	22,416,190	29,049,186
TOTAL NON- CURRENT ASSETS		22,416,190	29,049,186
TOTAL ASSETS		22,952,152	29,541,919
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	61,316	186,764
Borrowings	9	27,199	27,199
Provisions	10	40,446	114,975
TOTAL CURRENT LIABILITIES		128,961	328,938
NON-CURRENT LIABILITIES			
Trade and Other Payables	8	0	0
Borrowings	9	22,183	55,563
Provisions	10	0	0
TOTAL NON-CURRENT LIABILITIES		22,183	55,563
TOTAL LIABILITIES		151,145	384,501
NET ASSETS		22,801,007	29,157,418
EQUITY			
Retained profits		11,609,498	11,312,597
Reserves		11,191,509	17,844,821
TOTAL EQUITY		22,801,007	29,157,418

MURCHISON REGION ABORIGINAL CORPORATION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	Note	Retained Earnings		Asset Revaluation Reserve	Total
		$			$
Balance at 1st July 2014		11,659,358		17,844,821	29,504,179
Other Comprehensive income		(346,761)		0	(346,761)
(Deficit) for year		0		0	0
Balance at 30 June 2015		11,312,597		17,844,821	29,157,418
Other Comprehensive income		0		(6,653,312)	(6,653,312)
Surplus/ (Loss) for year		296,901			296,901
Balance at 30 June 2016		$11,609,498		$11,191,509	22,801,007

MURCHISON REGION ABORIGINAL CORPORATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
30 JUNE 2016

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,584,854	1,209,339
Operating grants and subsidies received		0	0
Interest received		74	7
Payments to suppliers and employees		(1,369,779)	(1,187,866)
Net cash generated by/(used in) operating activities	13b	215,149	21,481
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of property, plant and equipment		33,550	42,130
Purchase of property, plant and equipment		(152,144)	(52,374)
Net cash generated by (used in) investing activities		(118,594)	(10,244)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings		0	66,135
Repayment of borrowings		(33,379)	(78,669)
Net cash generated by/(used in) financing activities		(33,379)	(12,534)
Net (decrease)/ increase in cash		63,176	(1,297)
Cash 1 July		374,482	375,779
Cash 30 June	13a	437,658	374,482

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2016

The financial statements cover Murchison Region Aboriginal Corporation as a single entity. Murchison Region Aboriginal Corporation is an company incorporated under the Corporations (Aboriginal and Torres Strait Islanders) Act 2006.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations (Aboriginal and Torres Strait Islander) Act 2006. The corporation is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

The financial statements were authorised for issue on 2016 by the Board of the corporation.

(a) Income Tax

The corporation is exempt from income tax and is a deductible gift recipient as determined by the Australian Taxation Office

(b) Fair Value of Assets and Liabilities

The corporation measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Note 1: Statement of Significant Accounting Policies, continued

(b) Fair Value of Assets and Liabilities (cont.)

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(c) Property, Plant and Equipment

Each class of property plant & equipment is carried at cost, or fair value less applicable depreciation.

Land and buildings

Land and buildings are measured at cost less impairment or Board valuation. Net revaluation increments in the carrying amounts of land and buildings are recognised directly in the asset revaluation reserve. Impairments are provided for as necessary and charged to expense.

Plant and equipment

Plant and equipment is measured on the cost basis and is therefore carried at cost less accumulated depreciation and impairment. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount the carrying amount is written down immediately to its estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight line basis over the assets useful life to the Corporation commencing from the time the asset is held ready for use.
The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Office equipment	10 - 20%
Motor vehicles	22.5%
Improvements	4 - 20%

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

(d) Investments

Current investments are measured on the cost basis.
The carrying amount of investments is reviewed annually by the Board to ensure it is not in excess of the recoverable amount of these investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

Note 1: Statement of Significant Accounting Policies, continued

(e) Employee Benefits

Short-term employee benefits

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

Other long-term employee benefits

The association classifies employees' long service leave and annual leave entitlements as other long-term employee benefits, as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service.
Other long-term employee benefits 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 approximate to the terms of the obligations.
Upon the re - measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit and loss as a part of employee benefit expense.
The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the association receive defined contribution superannuation entitlements, for which the association pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The association's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the association's statement of financial position.

Note 1: Statement of Significant Accounting Policies, continued

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank and deposits at-call with banks.

(g) Revenue and other income

Revenue from Government grants and funding is recognised when it has been established that a right to receive exists.

Rent is recognised in the appropriate accounting period for the rent billed to the tenant.

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

All revenue is stated net of the amount of goods and service tax (GST).

(h) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Corporation during the reporting period, that remain unpaid.

The balance is recognised with the amounts normally paid within 30 days of recognition of the liability included as a current liability.

(i) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions to the instrument. For Financial assets, this is equivalent to the date that the corporation commits itself to either purchase or sell the asset.

Financial instruments are initially measured at fair value with transaction costs expensed where the instrument is classified as "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

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

(i) *Loans and receivables*

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

(ii) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the corporation assesses whether there is objective evidence that a financial asset has been impaired. Impairment losses are recognised in profit or loss immediately.

Note 1: Statement of Significant Accounting Policies, continued

(j) Critical Accounting estimates and Judgements

The Board members 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 corporation.

Key Estimates - Impairment

The Corporation assesses impairment at the end of each reporting date by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts or relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgements

Financial results

This deficit in 2015 was arrived at after providing $358,569 for possible non-repayment of loans by previous senior employees. At the date of this report none of this debt has been recovered.

Land and buildings were revalued in 2016 based on independent valuation from Australian Property Consultants, Subiaco. A separate value was not obtained for land as distinct from the buildings.

Other assets, including improvements, were reviewed and all old, outdated and obsolete items were written off. A charge to profit and loss of $76,649 was made as loss on disposal.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST. Receivables and payables in the Balance Sheet are shown inclusive of GST. 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.

(l) Comparative Figures

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

(m) New Accounting Standards for Application in Future Periods

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 association. The corporation has decided not to early adopt any of the new and amended pronouncements. The association's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2018).

Note 1: Statement of Significant Accounting Policies, continued

(m) New Accounting Standards for Application in Future Periods (cont.)

When effective, 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. 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. To achieve this objective, AASB 15 provides the following five-step process:-

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contracts; and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue. Although the Board anticipates that the adoption of AASB 15 may have an impact on the corporation's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Board anticipate that the adoption of AASB 16 will impact the corporation's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

	Note	2016 $	2015 $
Note 2: Revenue			
Operating Activities			
Project Grants		0	0
Other Income		196	2,774
Rent		1,356,755	1,354,703
Recoveries		165,534	135,037
Interest Received		74	7
Total Revenue		1,522,559	1,492,521

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2016

	Note	2016 $	2015 $
Note 3: Profit for the year			
Profit for the year has been determined after:			
Charging as an expense			
Direct Property Expenses		599,875	601,868
Staff expenses		498,714	401,828
Depreciation of property, plant & equipment		37,232	62,112
Property expenses		60,702	31,360
Interest paid		8,054	26,043
Remuneration of auditor			
audit or review services prior year		0	10,000
Bad and Doubtful Debts		13,741	3,174
Advertising & Marketing		599	292
Administration		75,520	296,936
Motor Vehicle expenses		21,220	47,100
		1,315,658	1,480,712
Note 4: Key Management Personnel Compensation			
Key management personnel compensation		$97,699	$67,132
Note 5: Cash and Cash Equivalents			
Cash on hand		250	300
Cash at bank		437,408	374,182
		437,658	374,482
Note 6: Trade and Other Receivables			
Rental Trade debtors		70,939	70,495
Less Provision for impairment		0	(30)
Vacancy Trade debtors		176,733	191,162
Less Provision for impairment		(150,191)	(183,122)
Other debtors		359,393	398,315
Less Provision for Non Recovery		(358,569)	(358,569)
		98,304	118,250

The corporation does not have any material credit risk exposure to any single receivable or group of receivables. No collateral is held over trade and other receivables.

	Note	2016 $	2015 $
Note 7: Property, Plant and Equipment			
Freehold land at cost		0	121,904
Freehold (vacant) land at valuation 2016		111,500	0
		111,500	121,904
Land & Buildings at valuation		22,005,000	28,344,966
Buildings at cost		0	302,943
Building improvements		298,455	476,487
Less accumulated depreciation		(80,184)	(338,304)
		22,223,271	28,786,090
Motor vehicles at cost		87,330	133,743
Less accumulated depreciation		(45,998)	(65,081)
		41,332	68,662
Environmental equipment at cost		0	11,862
Less accumulated depreciation		0	(11,352)
		0	510
Office equipment at cost		51,656	185,601
Less accumulated depreciation		(11,569)	(113,580)
		40,087	72,020
Total Property, Plant and Equipment		22,416,190	29,049,186

(a) Movements in carrying amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the financial year.

	Land $	Buildings $	Plant & Equip. $
Carrying amount at 30 June 2015	121,904	28,786,090	72,020
Additions	0	139,487	12,658
Revaluation	(10,404)	(6,642,908)	0
Disposals	0	(40,932)	(42,017)
Depreciation expense	0	(18,466)	(2,574)
Carrying amount at June 30 2016	111,500	22,223,271	40,087

Note 7: Property, Plant and Equipment

(a) Movements in carrying amounts (cont.)

	Motor Vehicles	Environmental Equipment	TOTAL
	$	$	$
Carrying amount at 30 June 2015	68,662	510	29,049,186
Additions	0	0	152,144
Revaluation			(6,653,312)
Disposals	(11,138)	(510)	(94,597)
Depreciation expense	(16,192)	0	(37,232)
Carrying amount at June 30 2016	41,332	0	22,416,190

	Note	2016 $	2015 $
Note 8: Trade and Other Payables			
Current			
Trade creditors		3,401	50,597
Sundry creditors		41,975	38,831
Funding Wajarri		0	90,000
Income in advance		15,940	7,336
		61,316	186,764
Non-current			
None		0	0
		0	0
Note 9: Borrowings			
Interest Bearing			
Current Hire Purchase Liabilities		36,639	36,639
Less Unexpired charges		(9,440)	(9,440)
		27,199	27,199
Non Current (Secured)			
Non-current Hire Purchase Liabilities		26,183	69,139
Less Unexpired charges		(4,000)	(13,576)
		22,183	55,563
Total Interest Bearing Borrowings		49,383	82,762

	Note	2016 $	2015 $
Note 10: Provisions			
Current			
Provision for employee benefits		40,446	114,975
Non Current			
Provision for employee benefits		0	0
Total Provisions		40,446	114,975

Note 11: Corporation Details

The principal place of business of the Corporation is :

Murchison Region Aboriginal Corporation
25 Crawford Street
GERALDTON WA 6530

The principal activity of the corporation is provision of housing for Aboriginal people in the Murchison area.

The Corporation was registered under the CATSI Act, 2006 as a medium corporation on 20th November 1986.

Note 12: Segment Reporting

Murchison Region Aboriginal Corporation operates in the aboriginal housing sector.

The Corporation has only one segment.

Murchison Region Aboriginal Corporation operates within Western Australia which is considered one geographical location.

	Note	2016 $	2015 $
Note 13: Cash Flow Information			
(a) Reconciliation of Cash			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:			
Cash on hand		250	300
Cash at bank		437,408	374,182
		437,658	374,482
(b) Reconciliation of cash flow from profit on operations with profit after income tax			
Profit/(Loss) after income tax		296,901	(346,761)
Non-cash flows in profit :			
Depreciation		37,232	62,112
Loss on disposal		61,047	0
Doubtful Debts Provisions		(52,049)	415,136
Changes in assets and liabilities			
(Increase) Decrease in receivables		(9,402)	(283,175)
Increase (Decrease) in creditors and payables		(44,052)	106,573
(Decrease) Increase in provisions		(74,529)	67,596
Net cash (used in)/ provided by operating activities		215,149	21,481

Note 14: Financial Risk Management

The corporation's financial instruments consist of deposits at bank and accounts receivable and payable and bank and other loans. The totals for each category of financial instrument, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as set out below.

Financial asset and financial liability maturity analysis

Financial Liabilities due for payment	Within 1 Year		1 to 5 Years	
	2016 $	2015 $	2016 $	2015 $
Trade and other payables	61,316	186,764	0	0
Loans	49,383	82,762	22,183	55,563
Total expected outflows	$110,698	$269,526	$22,183	$55,563

Note 14: Financial Instruments, continued

Financial asset and financial liability maturity analysis, continued

Financial Liabilities due for payment	Over 5 Years		Total	
	2016	2015	2016	2015
	$	$	$	$
Trade and other payables	0	0	61,316	186,764
Loans	0	0	71,566	138,324
Total expected outflows	$0	$0	$132,882	$325,088

Financial Assets - Cash flows realizable	Within 1 Year		1 to 5 Years	
	2016	2015	2016	2015
	$	$	$	$
Cash and cash equivalents	437,658	374,482	0	0
Financial assets	0	0	0	0
Receivables	98,304	118,250	0	0
Total anticipated cash inflows	535,962	492,733	$0	$0

Financial Assets - Cash flows realizable	Over 5 Years		Total	
	2016	2015	2016	2015
	$	$	$	$
Cash and cash equivalents	0	0	437,658	374,482
Financial assets	0	0	0	0
Receivables	0	0	98,304	118,250
Total anticipated cash inflows	$0	$0	$535,962	$492,733

Net Fair Values

The net fair value of assets and liabilities of the Corporation equals their carrying value.

MURCHISON REGION ABORIGINAL CORPORATION

STATEMENT BY THE BOARD

The Board has determined that the company is a reporting entity.

The Board has determined that this general purpose financial report should be prepared in accordance with the CATSI Act, accounting standards and the accounting policies outlined in Note 1 to the accounts.

In the opinion of the Board, the financial statements as set out on pages 1 to 16:

1. Present a true and fair view the financial position of Murchison Region Aboriginal Corporation as at 30 June 2016 and the performance of the corporation for the year ended on that date;

2. At the date of this statement, there are reasonable grounds to believe that Murchison Region Aboriginal Corporation will be able to pay its debts as and when they fall due.

During the year ended 30 June 2016 the Board reports that:

1. (i) no officer of the Murchison Region Aboriginal Corporation;
   (ii) no firm of which the officer is a member;
   (iii) no body corporate in which the officer has a substantial financial interest;

   has received or become entitled to receive a benefit as a result of a contract between the officer, firm or corporation and the Murchison Region Aboriginal Corporation.

This statement is made by resolution of the Board

....

Name: ADRIAN BARTLETT
Dated: 3 September 2016

....

Name: KAY MONGOO
Dated: 3 September 2016

MURCHISON REGION ABORIGINAL CORPORATION

BOARD REPORT

Following the completion of the audit of the Corporation for the year ended 30th June 2014 the Registrar of Indigenous Corporations appointed examiners to the inspect the systems, books and records of the Corporation. The examination revealed that previous senior employees of the Corporation had misappropriated substantial funds from the Corporation. The Registrar appointed Andrew West of Andrew H West and Associates as a Special Administrator of the Corporation and at the 1st July 2015 Mr West was still in control of the Corporation. The Special Administrator retired from office on the 3rd September 2015 and a new Board took office.

The Board of the Murchison Region Aboriginal Corporation submits the financial report of Murchison Region Aboriginal Corporation for the financial year ended 30 June 2016.

Directors

The Directors of the Corporation at the date of this report are:

Appointed 3rd September 2015:

Adrian Bartlett	Arthur Davies
Karen Taylor (Resigned 14 May 2016)	Kay Mongoo
Paul Ryder	Colin Hamlett
Jim Dillon	Debra Brittain
Stephanie Mippy	Ada Fossa (Appointed 12 March 2016)

The responsibility of these directors for the Corporation commenced on the date that the Special Administrator retired.

Principal Activity

The principal activity of the Corporation during the financial year was the provision of housing for Aboriginal people in the Murchison region.

Significant Changes

No significant change to the principal activity of the Corporation has occurred during or since the end of the financial year.

Operating Result

The surplus from ordinary activity for the year was $ 296,901 (2015: deficit of $ 346,761).

Distributions

No distributions were made to members during the year and none are recommended but not paid at year end.

Signed in accordance with a resolution of the Members of the Board.

ABartlett

Name:

Mongoo

Name:

Dated this day of 2016

DEANE
& ASSOCIATES
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Chartered Accountant

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MURCHISON REGION ABORIGINAL CORPORATION

We have audited the accompanying financial report of Murchison Region Aboriginal Corporation which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and Board statement.

Director's Responsibility for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Corporations (Aboriginal and Torres Strait Islander) Act 2006, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Murchison Region Aboriginal Corporation on 21 May 2016, would be in the same terms if provided to the directors as at the date of this auditor's report.

Richard F Deane, Principal
Associate: Amanda Stewart

Emphasis of Matter

We draw attention to Note 1j to the financial statements which describes the uncertainty related to the collectability of loans to former employees. These loans were not made with the approval of the Board of the Corporation and are considered by the Board to be collectible from the former employees. The Board deemed it prudent to provide for the non-collectability of these debts in full at 30 June 2015 as legal avenues are explored to recover the loans. Our opinion is not qualified in respect of this matter.

Auditor's Opinion

In our opinion:

a. the financial report of Murchison Region Aboriginal Corporation is in accordance with the CATSI Act 2006, including:

   i. giving a true and fair view of Murchison Region Aboriginal Corporation's financial position as at 30th June 2016 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the CATSI Act Regulations 2006.

DEANE & ASSOCIATES

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Richard F Deane

31st August 2016
11 Halifax Street, ADELAIDE SA 5000

DEANE & ASSOCIATES
AUDITOR INDEPENDENCE DECLARATION

DEANE
& ASSOCIATES
ABN 22 638 967 349
Chartered Accountant

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Adelaide SA 5000

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Email: info@rdeane.com.au

To the Directors

MURCHISON REGION ABORIGINAL CORPORATION

As lead auditor for the audit of Murchison Region Aboriginal Corporation for the year ended 30 June 2016, 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* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect Murchison Region Aboriginal Corporation as a single entity.

Auditor signature

RICHARD F DEANE

Name

PRINCIPAL

Position

Deane & Associates, 11 Halifax Street, ADELAIDE

Firm and address

Date 21st May 2016

Richard F Deane, Principal
Associate: Amanda Stewart