

# NGANAMPA HEALTH COUNCIL INCORPORATED

## STATUTORY FINANCIAL REPORT YEAR ENDED 30 JUNE 2018

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**NGANAMPA HEALTH COUNCIL INCORPORATED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Revenue</b>			
Grant revenue	2	21,048,344	21,550,741
Other revenue	2	2,164,203	1,093,537
Net gain on disposal of non current assets	4	<u>21,289</u>	<u>102,472</u>
<b>Total Revenue</b>		<u>23,233,836</u>	<u>22,746,750</u>
<b>Expenses</b>			
Employee benefits expenses		15,621,601	15,295,116
Goods and services expenses	3	5,710,117	5,796,504
Depreciation expense	8	<u>1,684,093</u>	<u>2,082,144</u>
<b>Total Expenses</b>		<u>23,015,811</u>	<u>23,173,764</u>
<b>Current Year Net Surplus (Deficit)</b>		218,025	(427,014)
<b>Other Comprehensive Income</b>		<u>-</u>	<u>-</u>
<b>Total Comprehensive Income for the Year</b>		<u>218,025</u>	<u>(427,014)</u>

**NGANAMPA HEALTH COUNCIL INCORPORATED****STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	<b>Note</b>	<b>2018 \$</b>	<b>2017 \$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	6,589,539	6,002,234
Accounts receivable and other debtors	6	453,012	951,283
Inventories on hand		295,779	293,378
Other current assets	7	67,105	82,033
<b>TOTAL CURRENT ASSETS</b>		<b>7,405,435</b>	<b>7,328,928</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	14,098,403	13,223,727
<b>TOTAL NON-CURRENT ASSETS</b>		<b>14,098,403</b>	<b>13,223,727</b>
<b>TOTAL ASSETS</b>		<b>21,503,838</b>	<b>20,552,655</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	3,086,896	2,440,768
Employee benefits	10	2,764,403	2,558,669
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,851,299</b>	<b>4,999,437</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	10	196,593	185,653
Other non-current liabilities	11	398,468	528,112
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>595,061</b>	<b>713,765</b>
<b>TOTAL LIABILITIES</b>		<b>6,446,360</b>	<b>5,713,202</b>
<b>NET ASSETS</b>		<b>15,057,478</b>	<b>14,839,453</b>
<b>EQUITY</b>			
Retained surplus		13,551,090	12,673,620
Asset replacement reserve	12	1,506,388	2,165,833
<b>TOTAL EQUITY</b>		<b>15,057,478</b>	<b>14,839,453</b>

The accompanying notes form part of these financial statements

NGANAMPA HEALTH COUNCIL INCORPORATED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018

	Retained Surplus	Asset Replacement Reserve	Total
<b>Balance at 1 July 2016</b>	<b>13,241,118</b>	<b>2,025,349</b>	<b>15,266,467</b>
Net surplus (deficit)	(427,014)	-	(427,014)
Transfer to reserve	(140,484)	140,484	-
<b>Balance at 30 June 2017</b>	<b>12,673,620</b>	<b>2,165,833</b>	<b>14,839,453</b>
<b>Balance at 1 July 2017</b>			
Net surplus (deficit)	218,025	-	218,025
Transfer from reserve	659,445	(659,445)	-
<b>Balance at 30 June 2018</b>	<b>13,551,090</b>	<b>1,506,388</b>	<b>15,057,478</b>

The accompanying notes form part of these financial statements

NGANAMPA HEALTH COUNCIL INC.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		23,396,969	23,582,783
Cash payments in the course of operations		(20,414,026)	(21,133,627)
Interest received		141,842	152,608
<b>Net cash provided by/(used in) operating activities</b>		<b>3,124,785</b>	<b>2,601,763</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		(2,730,775)	(1,576,734)
Receipts from disposal of plant and equipment		193,295	168,110
<b>Net cash used in investing activities</b>		<b>(2,537,480)</b>	<b>(1,408,624)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>587,305</b>	<b>1,193,139</b>
Cash and cash equivalents at the beginning of the financial year		6,002,234	4,809,095
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	5	<b>6,589,539</b>	<b>6,002,234</b>

NGANAMPA HEALTH COUNCIL INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

Nganampa Health Council Incorporated applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act 1985. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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 amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 18th October 2018 by the committee.

**Accounting Policies**

**a. Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

**b. Inventories on Hand**

Inventories held for sale are measured at the lower of cost and net realisable value.

**c. Property, Plant and Equipment**

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

**Plant and equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. 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 and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

The cost of fixed assets constructed within the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life 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 lives of the improvements.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Leasehold improvements	2-20%
Motor Vehicles	10-25%
Computing Equipment	10-50%
Other Plant & Equipment	5-25%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they occur. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained surplus.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

d Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association, are classified as finance leases.

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

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

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

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

e. 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 association commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) *Financial assets at fair value through profit or loss*

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

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *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 association'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.

(iv) *Available-for-sale investments*

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

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current when they are expected to be sold within 12 months of the end of balance date. All other available-for-sale financial assets are classified as current assets.

(v) *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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

**Impairment**

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

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

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

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

**Derecognition**

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

**f. Impairment of Non-Financial Assets**

At the end of each reporting period, the association 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, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

**g. Employee Provisions**

**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 the short-term employee benefits such as wages, salaries and sick leave are recognised as part of current accounts payable and other payables in the statement of financial position.

**Other long-term employee benefits**

Provision is made for employees' annual leave entitlements 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 high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

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 period, in which case the obligations are presented as current provisions.

**h. Cash and Cash Equivalents**

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

**i. Accounts Receivable and Other Debtors**

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

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

**j. Revenue and Other Income**

Non-reciprocal grant revenue is recognised in profit or loss when the association obtains control of the grant, it is probable that economic benefits gained from the grant will flow to the association and the amount can be measured reliably.

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

When grant revenue is received and the association incurs an obligation to deliver economic value back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The association may receive non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax.



NGANAMPA HEALTH COUNCIL INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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k. **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as expenses in the period in which they are incurred.

l. **Goods and Services Tax (GST)**

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 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 or 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.

m. **Comparative Figures**

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

n. **Accounts Payable and Other Payables**

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

o. **Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

o. **Critical accounting Estimates and Judgements**

The directors evaluate estimates and judgments 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 entity.

**Key Estimates**

(i) **Impairment**

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

**Key Judgements**

(ii) **Employee Benefits**

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

**NGANAMPA HEALTH COUNCIL INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

<b>NOTE 2 - REVENUE</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Grant Revenue:		
Operating grants - State & Federal Government	18,510,864	20,142,116
Capital grants - State & Federal Government	2,537,480	1,408,625
<b>Total Grant Revenue</b>	<b>21,048,344</b>	<b>21,550,741</b>
Other Revenue:		
Interest	141,842	152,608
Other	2,022,361	940,929
<b>Total Other Revenue</b>	<b>2,164,203</b>	<b>1,093,537</b>
Net gain (loss) on disposal of non current assets	21,289	102,472
<b>TOTAL REVENUE</b>	<b>23,233,836</b>	<b>22,746,750</b>
<b>NOTE 3 - GOODS AND SERVICES EXPENSES</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Goods and services expenditure recorded in the Statement of Comprehensive Income comprises:		
Accounting fees	400	400
Bank charges	4,823	4,343
Client related expenses	701,242	687,424
Consultancy fees	489,623	446,163
Cleaning	124,888	121,781
Subscriptions/Membership Fees		-
Electricity & gas	249,442	250,980
External Auditors remuneration	26,673	30,051
Freight	119,508	102,168
Furnishings and equipment	160,667	159,974
Donations		5,884
Information technology	307,665	324,425
Insurance	110,290	113,980
Motor vehicle expenses	575,261	586,446
Office, administration & corporate expenses	78,950	107,748
Postage, printing & stationery	43,399	35,706
Program costs	33,151	46,011
Repairs, maintenance & rental costs	584,897	711,320
Staff development and recruitment	517,233	610,986
Patient Assisted Transport	777,018	800,532
Travel & accommodation	577,121	440,269
Telephone	227,865	209,913
	<b>5,710,117</b>	<b>5,796,504</b>

Note that accounting standards require that the initial cost of assets purchased during the year is recorded in the Statement of Financial Position. In accordance with Note 1(c) these assets are then depreciated over their useful lives and charged to expenses. All capital grants received in relation to these assets are treated as revenue.

Hence in years of major capital purchases the statement of comprehensive income may show major surpluses as a result of capital expenditure.

**NGANAMPA HEALTH COUNCIL INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 4 - NET GAIN (LOSS) ON DISPOSAL OF NON CURRENT ASSETS**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Proceeds from disposal	168,250	168,110
Proceeds from insurance settlement	25,045	-
Less: net book value of assets disposed	<u>(172,007)</u>	<u>(65,638)</u>
Net gain / (loss) on disposal of non current assets	<u>21,289</u>	<u>102,472</u>

**NOTE 5 - CASH AND CASH EQUIVALENT ASSETS**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	2,918,675	1,795,669
Cash on term deposit	3,670,863	4,206,565
Cash on hand	<u>-</u>	<u>-</u>
	<u>6,589,539</u>	<u>6,002,234</u>

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The effective interest rate on short-term bank deposits was 1.68% (2017: 1.91%).

**Reconciliation of Cash**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows;

Cash and cash equivalents	<u>6,589,539</u>	<u>6,002,234</u>
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**NOTE 6 - ACCOUNTS RECEIVABLE AND OTHER DEBTORS**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Grant funding receivable	251,000	38,313
Other receivables	<u>202,012</u>	<u>912,970</u>
	453,012	951,283
Less: provision for doubtful debts	<u>-</u>	<u>-</u>
Total current accounts receivable and other debtors	<u>453,012</u>	<u>951,283</u>

Notes

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**Financial assets classified as receivables**

Accounts receivable and other debtors	<u>453,012</u>	<u>951,283</u>
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**NOTE 7 - OTHER CURRENT ASSETS**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Prepayments	67,105	82,033
	<u>67,105</u>	<u>82,033</u>

**NGANAMPA HEALTH COUNCIL INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 8 - PROPERTY, PLANT AND EQUIPMENT**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Leasehold buildings at cost	25,522,953	24,681,060
Less: accumulated depreciation	<u>(15,202,714)</u>	<u>(14,108,895)</u>
	<u>10,320,238</u>	<u>10,572,165</u>
Plant and equipment at cost	4,588,814	5,243,919
Less: accumulated depreciation	<u>(3,359,861)</u>	<u>(4,122,111)</u>
	<u>1,228,953</u>	<u>1,121,808</u>
Motor vehicles at cost	4,410,871	3,379,214
Less: accumulated depreciation	<u>(1,861,658)</u>	<u>(1,849,460)</u>
	<u>2,549,212</u>	<u>1,529,755</u>
Total property plant & equipment	<u>14,098,403</u>	<u>13,223,727</u>

**Movements in carrying amounts**

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

	<b>Leasehold Buildings \$</b>	<b>Plant &amp; Equipment \$</b>	<b>Motor Vehicles \$</b>	<b>Total \$</b>
Balance at 1 July 2017	10,572,165	1,121,808	1,529,755	13,223,727
Additions	841,892	393,306	1,495,576	2,730,775
Disposals	-	(85,534)	(86,471)	(172,006)
Depreciation expense	<u>(1,093,820)</u>	<u>(200,626)</u>	<u>(389,647)</u>	<u>(1,684,093)</u>
Carrying amount at 30 June 2018	<u>10,320,237</u>	<u>1,228,954</u>	<u>2,549,212</u>	<u>14,098,404</u>

**NOTE 9 - TRADE AND OTHER PAYABLES**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Accounts Payable</b>		
Trade creditors and accruals	2,106,102	1,601,954
Grants received in advance	641,780	-
Unexpended grants	<u>339,014</u>	<u>838,814</u>
	<u>3,086,896</u>	<u>2,440,768</u>

**NGANAMPA HEALTH COUNCIL INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

<b>NOTE 10 - EMPLOYEE BENEFITS</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Provision for payroll liabilities	672,412	663,410
Provision for annual airfare	97,620	86,684
Provision for annual leave	1,046,655	927,396
Provision for Superannuation	-	-
Provision for long service leave	947,716	881,179
	<u>2,764,403</u>	<u>2,558,669</u>
<b>Non-Current</b>		
Provision for long service leave	196,593	185,653
	<u>196,593</u>	<u>185,653</u>
	<u>2,960,996</u>	<u>2,744,322</u>

**Provision for Employee Benefits**

Provision for employee benefits includes amounts accrued for annual leave and long service leave. The current portion for this provisions include the amount accrued for annual leave entitlements and long service leave entitlements that have vested with the employees. Based on past experience, the association does not expect the full amount of annual leave balance, although classified as current, to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria have been discussed in 1(g).

**Analysis of Employee Provisions - Annual Leave Entitlements**

Opening balance at 1 July 2017	927,396	847,320
Additional provisions	829,656	771,532
Amounts used	(710,397)	(691,456)
Balance at 30 June 2018	<u>1,046,655</u>	<u>927,396</u>

**NOTE 11 - NON CURRENT LIABILITIES**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Anangu Study Scholarship Fund	29,437	24,874
Unexpended Grants	349,317	483,524
Deceased estates/other	19,714	19,714
	<u>398,468</u>	<u>528,112</u>

**NGANAMPA HEALTH COUNCIL INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 12 - ASSET REPLACEMENT RESERVE**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
The Asset Replacement Reserve represents funds set aside for future replacement of the following types of assets:		
Motor vehicles	1,227,676	1,578,491
Medical Equipment	242,227	587,342
Information Technology Equipment	36,485	-
Total asset replacement reserve	<u>1,506,388</u>	<u>2,165,833</u>

**NOTE 13 - FINANCIAL LIABILITIES**

	Notes	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
Financial liabilities at amortised cost classified as accounts payable and other payables			
Accounts payable and other payables			
Total current		3,086,896	2,440,768
Total non current		<u>398,468</u>	<u>528,112</u>
		3,485,364	2,968,880
Less: Unexpended Grants		(688,331)	(1,322,338)
Less: Grants received in advance		(641,780)	-
Financial liabilities as accounts payable and other payables	18	<u>2,155,253</u>	<u>1,646,542</u>

**Collateral pledged**

No collateral has been pledged for any of the accounts payable and other payables.

**NOTE 14 - COMMITMENTS**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Office rent	66,124	63,873
Motor vehicle	<u>43,502</u>	<u>6,689</u>
Total operating lease commitments	<u>109,626</u>	<u>70,562</u>
Operating lease commitments are payable:		
- not later than 1 year	74,824	70,562
- between 12 months and 5 years	34,802	-
- later than 5 years	-	-
Total operating lease commitments	<u>109,626</u>	<u>70,562</u>

Operating lease commitments are shown at GST inclusive values.

The office rent lease commitment is a non-cancellable operating lease with a five year term, with rent payable monthly in advance. The lease expires on 1 July 2019. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by the consumer price index at 1 July each year.

**NGANAMPA HEALTH COUNCIL INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 15 - RELATED PARTY DISCLOSURES**

**Board of Management**

No member of the Board received remuneration from the Association in their capacity as Board Member. No other entity that the Board Members are associated with has received funds other than through dealings with the Association in the ordinary course of business and on normal commercial terms and conditions.

**Key Management Personnel Compensation**

Any person having authority and responsibility for planning, directing and controlling the activities of the Association, directly or indirectly, including its Board Members, is considered key management personnel.

The totals of remuneration paid to key management personnel during the year are as follows;

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Short term benefit	1,227,078	1,177,279
Post employment benefit	90,046	92,269
	<hr/>	<hr/>
Total Compensation	1,317,124	1,269,548
	<hr/>	<hr/>

**Other Related Parties**

Other related parties include close family members of key management personnel, and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Short term benefit	212,383	230,083
Post employment benefit	16,597	18,853
	<hr/>	<hr/>
Total Compensation	228,980	248,936
	<hr/>	<hr/>

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

**NOTE 16 - AUDITOR REMUNERATION**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Auditor Remuneration</b>		
Audit services	26,273	29,651
Non-audit services	400	400
	<hr/>	<hr/>
	26,673	30,051
	<hr/>	<hr/>

**NOTE 17 - ECONOMIC DEPENDENCY**

The Association is dependent on funding from the State and Federal Government to maintain its operations.

**NOTE 18 - CONTINGENT LIABILITIES**

A potential future liability exists following the death of a staff member.

Currently no legal action in regards to this incident has been instigated against Nganampa Health Council.

**NGANAMPA HEALTH COUNCIL INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 19 - FINANCIAL RISK MANAGEMENT**

The Association's financial instruments consist mainly of deposits with banks, accounts payable and receivable. The Association does not have any derivative financial instruments as at 30 June 2018 & 2017.

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:

	Notes	2018 \$	2017 \$
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents	5	6,589,539	6,002,234
Accounts receivable and other debtors	6	453,012	951,283
<b>TOTAL FINANCIAL ASSETS</b>		<u>7,042,551</u>	<u>6,953,517</u>
<b>FINANCIAL LIABILITIES</b>			
Accounts payable and other payables	13	2,155,253	1,646,542
<b>TOTAL FINANCIAL LIABILITIES</b>		<u>2,155,253</u>	<u>1,646,542</u>

**Net Fair Values**

The following methods and assumptions are used in determining net fair value:

Net fair value approximates carrying value. No financial assets and financial liabilities are traded on organised markets.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

**NOTE 20 - ASSOCIATION DETAILS**

The principal place of business and the registered office for the Association is :

3 Wilkinson Street  
Alice Springs NT 0871

**NOTE 21 - EVENTS AFTER THE BALANCE SHEET DATE**

There have been no material events after the reporting date that have not been recognised in the financial report.



**NGANAMPA HEALTH COUNCIL INCORPORATED**

**STATEMENT BY MEMBERS OF THE COMMITTEE**


The members of the committee declare that, in the committee's opinion:

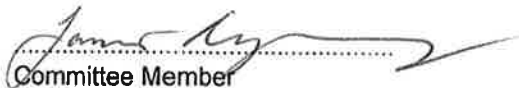
The financial statements and notes, as set out on pages 1 to 15, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

- a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
- b. give a true and fair view of the financial position of Nganampa Health Council Incorporated as at 30 June 2018 and of its performance for the year ended on that date.

There are reasonable grounds to believe that Nganampa Health Council Incorporated will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

  
.....  
Committee Member

  
.....  
Committee Member

Dated this 18 day of October 2018

**NGANAMPA HEALTH COUNCIL INCORPORATED**

**AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 60-40 AUSTRALIAN  
CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012**

**To the board of Nganampa Health Council Incorporated**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



**T A Basso - Director  
Basso Newman Audit Pty Ltd  
Chartered Accountants  
286 Flinders Street, Adelaide  
Dated this 26<sup>th</sup> day of October 2018**



Basso Newman Audit Pty Ltd  
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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NGANAMPA HEALTH COUNCIL INCORPORATED

### Opinion

We have audited the financial report of Nganampa Health Council Incorporated ("the entity") which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and 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 statement by members of the committee.

In our opinion, the accompanying financial report of the Nganampa Health Council Incorporated is in accordance with Div 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a) giving a true and fair view of the entity's financial position as at 30 June 2018 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards–Reduced Disclosure Requirements and 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 entity 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards-Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Entity's financial reporting process.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
NGANAMPA HEALTH COUNCIL INCORPORATED**

**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 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

We also provide the those charged with governance 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.



**Trevor Basso - Director**  
**Basso Newman Audit Pty Ltd**  
**Chartered Accountants**  
**286 Flinders Street, Adelaide**  
Dated this 26<sup>th</sup> day of October 2018



File No: 2017-05401

27 June 2017

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To Whom It May Concern

**RE: INSURANCE**

I confirm that Nganampa Health Council Inc is indemnified and insured with the Department for Health and Ageing, under the Department's Self Insured Program, for services it provides to the community.

The insurance, which is for an amount not less than \$20 million, covers:

- Professional Indemnity
- Public Liability
- Directors and Officers Liability
- Personal Accident/Volunteers

The Self Insured Program which also covers motor vehicles and property and contents applies from 1 July 2017 to 30 June 2018.

Yours sincerely

A handwritten signature in black ink, appearing to read 'CRobinson'.

**CATHERINE ROBINSON**

Senior Insurance Officer

Insurance Services

Legal and Legislative Policy