

NGANAMPA HEALTH COUNCIL INCORPORATED

ABN : 25284162604

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NGANAMPA HEALTH COUNCIL INCORPORATED

ABN : 25284162604

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

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NGANAMPA HEALTH COUNCIL INCORPORATED
ABN : 25284162604

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue			
Grant revenue	2	20,318,569	21,048,344
Other revenue	2	2,239,680	2,164,203
Net gain on disposal of non current assets	2	<u>282,600</u>	<u>21,289</u>
Total Revenue		<u>22,840,849</u>	<u>23,233,836</u>
Expenses			
Employee benefits expenses		16,063,840	15,621,601
Goods and services expenses	3	6,070,011	5,710,117
Depreciation expense	7	<u>1,765,017</u>	<u>1,684,093</u>
Total Expenses		<u>23,898,868</u>	<u>23,015,811</u>
Current Year Surplus (Deficit)		(1,058,019)	218,025
Other Comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive Income for the Year		<u><u>(1,058,019)</u></u>	<u><u>218,025</u></u>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

NGANAMPA HEALTH COUNCIL INCORPORATED
ABN : 25284162604

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	4	7,692,117	6,589,539
Accounts receivable and other debtors	5	418,158	453,012
Inventories on hand		284,426	295,779
Other current assets	6	85,562	67,105
TOTAL CURRENT ASSETS		<u>8,480,263</u>	<u>7,405,435</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	13,111,087	14,098,403
TOTAL NON-CURRENT ASSETS		<u>13,111,087</u>	<u>14,098,403</u>
TOTAL ASSETS		<u>21,591,350</u>	<u>21,503,838</u>
CURRENT LIABILITIES			
Trade and other payables	8	4,941,521	3,759,379
Employee provisions	9	2,154,740	2,091,991
TOTAL CURRENT LIABILITIES		<u>7,096,261</u>	<u>5,851,370</u>
NON-CURRENT LIABILITIES			
Employee provisions	9	220,047	196,593
Trade and other payables	8	218,389	349,317
Other non-current liabilities	10	57,265	49,151
TOTAL NON-CURRENT LIABILITIES		<u>495,701</u>	<u>595,061</u>
TOTAL LIABILITIES		<u>7,591,962</u>	<u>6,446,431</u>
NET ASSETS		<u>13,999,388</u>	<u>15,057,407</u>
EQUITY			
Retained surplus		12,566,017	13,551,019
Asset replacement reserve	11	1,433,371	1,506,388
TOTAL EQUITY		<u>13,999,388</u>	<u>15,057,407</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

NGANAMPA HEALTH COUNCIL INCORPORATED
ABN : 36 709 591 145

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Retained Surplus	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2017	12,673,549	2,165,833	14,839,382
Net surplus (deficit) for the year	218,025	-	218,025
Transfer from reserve	659,445	(659,445)	-
Balance at 30 June 2018	13,551,019	1,506,388	15,057,407
Balance at 1 July 2018	13,551,019	1,506,388	15,057,407
Net surplus (deficit) for the year	(1,058,019)	-	(1,058,019)
Transfer from reserve	73,017	(73,017)	-
Balance at 30 June 2019	12,566,017	1,433,371	13,999,388

NGANAMPA HEALTH COUNCIL INCORPORATED
ABN : 25284162604

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from funding bodies and customers		23,631,123	23,396,969
Payments to suppliers and employees		(22,140,955)	(20,414,026)
Interest received		107,510	141,842
Net cash provided by (used in) operating activities	15	<u>1,597,678</u>	<u>3,124,785</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		(972,478)	(2,730,775)
Payments for plant and equipment		477,378	193,295
Net cash used in investing activities		<u>(495,100)</u>	<u>(2,537,480)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH HELD		1,102,578	587,305
Cash at the beginning of the financial year		<u>6,589,539</u>	<u>6,002,234</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	4	<u><u>7,692,117</u></u>	<u><u>6,589,539</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorised for issue on 18th October 2019 by the committee.

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 Standard*.

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. 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 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 amounts presented in the financial statements have been rounded to the nearest dollar.

Changes in Accounting Policies

In the current period, Nganampa Health Council Incorporated has adopted new accounting standards and interpretations that apply for the first time, resulting in the following changes in accounting policies:

i. AASB 9 Financial Instruments

AASB 9 replaces parts of previous accounting standards that address the classification, recognition and measurement of financial assets and financial liabilities, including derecognition, impairment and hedge accounting. It also amends parts of AASB 7 Financial Instruments: Disclosures. The association applied AASB 9 (as amended) and consequential amendments to other related standards with an initial application date of 1 July 2018, electing to apply the modified retrospective method of adoption which means comparative information has not been restated. The new accounting policy is set out in Note 1d. The association assessed the impact of the change as not material

ii. AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue and a number of other related pronouncements. The association now recognises 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 those goods or services. Contracts are identified along with the separate performance obligations they contain. The association determines the total transaction price, adjusted for the time value of money excluding credit risk; and allocates it to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. As the association's income relates to grant income the assessed impact of adopting this accounting standard is immaterial.

Accounting Policies

(a) Income Tax

Nganampa Health Council Inc. is not subject to income tax and therefore no income tax expense or income tax payable is shown in the financial statements.

(b) Fair Value of Assets and Liabilities

The association measures some of its assets at fair value on a recurring basis.

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 (ie 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie 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 reporting date (ie the market that maximises the receipts from the sale of the asset or minimises the payment 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.

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 instrument, 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

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(g) 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 lease assets but excluding freehold land, 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 asset are:

Leasehold improvements	2.5%
Motor Vehicles	17%
Computing Equipment	33%
Other Plant & Equipment	10-20%

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

Gains and losses on disposals are determined by comparing net 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.

(d) Financial Instruments

Accounting policies for the current financial year

All recognised financial assets that are within the scope of AASB 9 are initially classified as into one of these 3 groups on the basis of the entity's business model for managing the financial assets and whether the contractual cash flows re limited to payments of principal or principal plus interest:

- 1) Amortised cost
- 2) Fair value through profit or loss ("FVTPL"); or
- 3) Fair Value Through Other Comprehensive Income ("FVOCI")

These assets are initially measured at fair value plus any transaction costs, or in the case of assets classified as FVTPL.

Subsequently:

- (i) assets classified as amortised cost are measured using the effective interest rate method and are subject to impairment assessments. Realised gains and losses on these assets recognised in profit or loss when the asset is derecognised, modified or impaired;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

(ii) assets classified as FVTPL are measured at fair value and any net change in fair value is recognised in profit or loss; and

(iii) assets classified as FVOCI are measured at fair value and any net change in fair value is recognised in Other Comprehensive Income, Gains or losses on these assets realised on derecognition are recognised in profit or loss.

In the comparative reporting period, the following accounting policies applied:

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 expensed to profit or loss immediately.

(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.

(e) **Impairment**

Accounting policies for the current financial year - impairment of financial assets

Financial asset impairment is assessed at the end of each financial period using the expected credit loss (ECL) model, except for assets classified as FVTPL. It is calculated by deducting from the contractual cash flows due to the entity the cash flows that the association expects to receive, discounted at a rate that approximates the effective interest rate at inception.

For membership subscriptions, a simplified provision matrix approach to calculation of ECL's is applied by recognising lifetime ECL's at the reporting date. The matrix applies historical credit losses of the association adjusted for forward-looking factors specific to the debtors and the economic environment.

The association considers a financial asset is in default when internal or external information indicates that the outstanding contractual amounts are unlikely to be received. Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flows.

In the comparative reporting period, the following accounting policies applied for impairment of financial

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

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

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

(f) **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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

(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 short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade 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 government 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 date, 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

Accounting policies for the current financial year - Revenue and Other Income

Grant income is accounted for in accordance with the terms established in individual grant agreements. Where an agreement is enforceable and contains sufficiently specific performance obligations the income is either recognised over time as the work is performed or recognised at the point in time that the control of the services pass to the recipient,

Where the association has received assets (including cash) to acquire or construct a non-financial asset, the asset is to be controlled by the association and there is a refund liability if the terms and conditions of the grant are not met, then the asset is recognised as a contract liability on receipt and recorded as income as the performance obligation to acquire or construct the asset is completed.

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.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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

In the comparative reporting period, the following accounting policies applied for revenue and other income:

Grants are treated according to the specifications of the grant funding agreements. Grant income and expenses are recognised as specified by the grant funding agreements.

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.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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

(k) Inventories on Hand

Inventories represent consumables and are measured at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing 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 or for improved presentation of the financial report, 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.

(p) Key Judgements

(i) Employee Benefits

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.

(q) 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 committee has decided not to early adopt any of the new and amended pronouncements. Their assessment of the pronouncements that are relevant to the Association but applicable in future reporting periods is set out below:

AASB 16: Leases

A core change under AASB 16: *Leases* is that most leases will be recognised on the balance sheet by lessees, as the new Standard does not differentiate between operating and finance leases.

An asset and a financial liability are recognised in accordance with this new Standard. There are, however, two exceptions allowed. These are short-term and low-value leases.

AASB 16 will be applied by the Association from its mandatory adoption date of 1 January 2019. The simplified transition approach will be the Association's chosen approach, and thus the comparative amounts for the year prior to first adoption will not be restated. While the right-of-use assets for property leases will be measured on transition as if new rules had always been applied, all other right-of-use assets will be measured at the amount of the lease liability on adoption (after adjustments for any prepaid or accrued lease expenses).

NOTE 2: REVENUE AND OTHER INCOME

	2019	2018
	\$	\$
Grant Revenue:		
Operating grants - State and Federal Government	19,823,469	18,510,864
Capital grants-State and Federal Government	495,100	2,537,480
Total Grant Revenue	20,318,569	21,048,344
Other Revenue and Income:		
Interest	107,510	141,842
Other	2,132,170	2,022,361
Total Other Revenue	2,239,680	2,164,203

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NOTES TO THE FINANCIAL STATEMENTS
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Other Income:		
Net gain (loss) on disposal of non current assets	282,600	21,289
	282,600	21,289
Total Revenue and Other Income	22,840,849	23,233,836

NOTE 3 - GOODS AND SERVICES EXPENSES

	2019	2018
	\$	\$
Goods and services expenditure recorded in the Statement of Profit or Loss and Other Comprehensive Income comprises:		
Accounting fees	614	400
Bank charges	4,496	4,823
Client related expenses	764,410	701,242
Consultancy fees	434,540	489,623
Cleaning	75,549	124,888
Electricity & gas	278,394	249,442
External Auditors remuneration	37,195	26,673
Freight	128,486	119,508
Furnishings and equipment	129,841	160,667
Information technology	350,185	307,665
Insurance	101,559	110,290
Motor vehicle expenses	700,780	575,261
Office, administration & corporate expenses	106,175	78,950
Postage, printing & stationery	40,426	43,399
Program costs	10,102	33,151
Repairs, maintenance & rental costs	645,463	584,897
Staff development and recruitment	513,125	517,233
Patient Assisted Transport	824,918	777,018
Travel & accommodation	650,661	577,121
Telephone	273,092	227,866
	6,070,011	5,710,117

NOTE 4 - CASH AND CASH EQUIVALENT ASSETS

	2019	2018
	\$	\$
Cash at bank - unrestricted	4,417,018	2,918,675
Short term investments - bank deposits	3,275,099	3,670,864
Total cash and cash equivalents	7,692,117	6,589,539

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is		
Cash and cash equivalents	7,692,117	6,589,539

NOTE 5 - ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	2019	2018
	\$	\$
Grant funding receivable	-	251,000
Other receivables	418,158	202,012
	418,158	453,012
Less : Provision for doubtful accounts	-	-
Total accounts receivable and other debtors	418,158	453,012

NOTE 6 - OTHER CURRENT ASSETS

	2019	2018
	\$	\$
Prepayments	85,562	67,105
Total other current assets	85,562	67,105

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

	2019	2018
	\$	\$
Leasehold buildings at cost	25,805,948	25,522,953
Less: Accumulated Depreciation	(15,845,920)	(15,202,715)
	9,960,028	10,320,238
Plant and equipment at cost	4,796,915	4,588,814
Less: Accumulated Depreciation	(3,742,042)	(3,359,861)
	1,054,873	1,228,953
Motor vehicles at cost	3,885,354	4,410,870
Less: Accumulated Depreciation	(1,789,168)	(1,861,658)
	2,096,186	2,549,212
Total Property, plant & equipment	13,111,087	14,098,403

Movements in carrying amounts

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

	Leasehold Buildings \$	Plant & equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2018	10,320,238	1,228,953	2,549,212	14,098,403
Additions	282,996	208,102	481,380	972,478
Disposals at book value	-	-	(194,777)	(194,777)
Depreciation expense	(643,206)	(382,182)	(739,629)	(1,765,017)
Carrying Amount at 30 June 2019	9,960,028	1,054,873	2,096,186	13,111,087

NOTE 8 - ACCOUNTS PAYABLE AND OTHER PAYABLES

	2019	2018
	\$	\$
Current		
Accounts payable and other payables	2,479,554	2,778,585
Grants received in advance	-	641,780
Unexpended grants	2,461,967	339,014
	4,941,521	3,759,379
Non- Current		
Accounts payable and other payables	218,389	349,317
	218,389	349,317
Total accounts payable and other payables	5,159,910	4,108,696
Accounts payable and other payables:		
- total current	4,941,521	3,759,379
- total non-current	218,389	349,317
	5,159,910	4,108,696
Less Accrued expenses & clearing accounts	3,783,696	2,135,828
Financial liabilities as accounts payable & other payables	1,376,214	1,972,868

Collateral Pledged

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

NOTE 9 - EMPLOYEE PROVISIONS

	2019	2018
	\$	\$
Current		
Provision for annual airfare	84,974	97,620
Provision for annual leave	1,198,245	1,046,655
Provision for long service leave	871,521	947,716
	2,154,740	2,091,991
Non-Current		
Provision for long service leave	220,047	196,593
Total employee provisions	2,374,787	2,288,584

NGANAMPA HEALTH COUNCIL INCORPORATED
ABN : 25284162604

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Provisions include amounts accrued for annual leave. Based on past experience, the association expects the full amount of the annual leave balance to be settled within the next 12 months. Further 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 entitlements.

NOTE 10 - NON CURRENT LIABILITIES

	2019	2018
	\$	\$
Anangu Study Scholarship Fund	33,337	29,437
Deceased estates/other	23,928	19,714
Total non-current liabilities	57,265	49,151

NOTE 11 - ASSET REPLACEMENT RESERVE

	2019	2018
	\$	\$
The Asset Replacement Reserve represents funds set aside for future replacement of the following types of assets:		
Motor vehicles	1,262,067	1,227,676
Medical Equipment	171,304	242,227
Information Technology Equipment	-	36,485
Total asset replacement reserve	1,433,371	1,506,388

NOTE 12 - CAPITAL AND LEASING COMMITMENTS

	2019	2018
	\$	\$
Operating Lease Commitments		
Office rent	66,653	66,124
Motor Vehicles	37,702	43,502
Total Operating Lease Commitments	104,355	109,626
Operating Lease Commitments are payable:		
- not later than 1 year	75,353	74,824
- between 1 year and five years	29,002	34,802
- later than five years	-	-
Total Operating Lease Commitments	104,355	109,626

Operating Lease commitments are shown at GST inclusive values.

NOTE 13 - RELATED PARTY DISCLOSURES

Board of Management

No member of the Board received remuneration from the association in their capacity as member. No other entity that the above 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.

	2019	2018
	\$	\$
Key Management Personnel Compensation		
The totals of remuneration paid to key management personnel (KMP) of the association during the year are as follows:		
Short Term Benefit	1,316,315	1,227,078
Post Employment Benefit	98,929	90,046
Total Compensation	1,415,244	1,317,124

Other related parties

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

Short term benefit	65,966	212,383
Post employment benefit	6,139	16,597
Total Compensation	72,105	228,980

NGANAMPA HEALTH COUNCIL INCORPORATED
ABN : 25284162604

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 14 - AUDITOR REMUNERATION

	2019	2018
	\$	\$
Auditor Remuneration		
Audit services	37,195	26,273
Non-audit services	614	400
	37,809	26,673

NOTE 15 - CASH FLOW INFORMATION

	2019	2018
	\$	\$
Reconciliation of cash flows from operating activities		
Net surplus (deficit)	(1,058,019)	218,025
Non-cash flows in profit		
- depreciation	1,765,017	1,684,093
- (gain)/loss on disposal of plant and equipment	(282,600)	(21,289)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	34,854	498,270
- (increase)/decrease in other assets	(7,104)	12,527
- increase/(decrease) in payables and accrued expenses	1,040,754	520,193
- increase/(decrease) in other liabilities	8,114	4,564
- increase/(decrease) in employee benefits	96,661	208,402
Net cash provided by operating activities	1,597,678	3,124,785

NOTE 16 - 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. The committee is not aware of any other contingent liabilities.

NOTE 17 - 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 2019.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019	2018
		\$	\$
Financial assets			
<i>Current</i>			
Cash and cash equivalents	4	7,692,117	6,589,539
Accounts receivable and other debtors	5	418,158	453,012
		8,110,275	7,042,551
<i>Non Current</i>			
Accounts receivable and other debtors	5	-	-
Total financial assets		8,110,275	7,042,551
Financial Liabilities			
<i>Current</i>			
Accounts payable and other payables	8	4,941,521	3,759,379
Total financial liabilities		4,941,521	3,759,379

The Committee monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, financial risk, and interest rate risk.

The committee members' overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

The main risks the association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

There have been no substantive changes in the types of risks the association is exposed to, how these risks arise, or the Committee's objectives, policies and

a. Liquidity risk

Liquidity risk arises from the possibility that the association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities; and
- only investing surplus cash with major financial institutions.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

b. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the association.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits, and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

The association has no significant concentration of credit risk with any single counterparty or group of counterparties

c. Market risk

Interest rate risk

The association is not exposed to any significant interest rate risk.

Fair value estimation

The carrying values of financial assets and financial liabilities approximate fair values.

	Footnote	2019		2018	
		Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Carrying Value \$
Financial assets					
<i>Current</i>					
Cash and cash equivalents	(i)	7,692,117	7,692,117	6,589,539	6,589,539
Accounts receivable and other debtors	(i)	418,158	418,158	453,012	453,012
Total financial assets		8,110,275	8,110,275	7,042,551	7,042,551
Financial Liabilities					
<i>Current</i>					
Accounts payable and other payables	(i)	4,941,521	4,941,521	3,759,379	3,759,379
Total financial liabilities		4,941,521	4,941,521	3,759,379	3,759,379

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts relating to the employee provisions, which are outside the scope of AASB 139.

NOTE 18 - EVENTS AFTER THE REPORTING PERIOD

The committee is not aware of any significant events since the end of the reporting period.

NOTE 19 - ASSOCIATION DETAILS

The registered office and principal place of business of the association is :
 3 Wilkinson Street, Alice Springs, NT 0870


NGANAMPA HEALTH COUNCIL INCORPORATED
ABN : 25284162604


STATEMENT BY MEMBERS OF THE COMMITTEE

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

1. 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 2019 and of its performance for the year ended on that date.
2. 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 statement is made in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.


Board member


Board member

Dated this 18th day of October 2019

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 2019, 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 24th day of October 2019**



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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 2019, 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 2019 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.

A handwritten signature in blue ink, appearing to read 'T Basso', is located above the printed name of the auditor.

**Trevor Basso - Director
Basso Newman Audit Pty Ltd
Chartered Accountants
286 Flinders Street, Adelaide
Dated this 24th day of October 2019**