

# NGANAMPA HEALTH COUNCIL INCORPORATED

## STATUTORY FINANCIAL REPORT YEAR ENDED 30 JUNE 2017

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*Photograph by Stewart Roper*

**NGANAMPA HEALTH COUNCIL INCORPORATED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Revenue	2	22,746,750	21,029,468
Employee benefits expenses		(15,295,117)	(14,181,660)
Depreciation expense		(2,082,144)	(2,060,802)
Goods and services expenses	3	<u>(5,796,504)</u>	<u>(5,537,381)</u>
<b>Current year surplus (deficit) before income tax</b>		(427,014)	(750,375)
Income tax expense		<u>-</u>	<u>-</u>
<b>Net current year surplus (deficit)</b>		<u>(427,014)</u>	<u>(750,375)</u>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total other comprehensive income for the year</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>(427,014)</u>	<u>(750,375)</u>
Total comprehensive income attributable to members of the entity		<u>(427,014)</u>	<u>(750,375)</u>

**NGANAMPA HEALTH COUNCIL INCORPORATED**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	6,002,234	4,809,095
Accounts receivable and other debtors	6	951,283	1,015,245
Inventories on hand		293,377	270,580
Other current assets	7	82,033	241,497
<b>TOTAL CURRENT ASSETS</b>		<u>7,328,926</u>	<u>6,336,417</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	13,223,728	13,794,775
<b>TOTAL NON-CURRENT ASSETS</b>		<u>13,223,728</u>	<u>13,794,775</u>
<b>TOTAL ASSETS</b>		<u>20,552,654</u>	<u>20,131,192</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	2,549,373	2,357,019
Employee benefits	9	2,450,062	2,271,224
<b>TOTAL CURRENT LIABILITIES</b>		<u>4,999,435</u>	<u>4,628,243</u>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	10	185,653	199,626
Other non-current liabilities	10	528,112	36,857
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>713,765</u>	<u>236,483</u>
<b>TOTAL LIABILITIES</b>		<u>5,713,201</u>	<u>4,864,726</u>
<b>NET ASSETS</b>		<u>14,839,453</u>	<u>15,266,466</u>
<b>EQUITY</b>			
Retained surpluses		12,673,622	13,241,117
Asset replacement reserve	11	2,165,833	2,025,349
<b>TOTAL EQUITY</b>		<u>14,839,455</u>	<u>15,266,466</u>

. The accompanying notes form part of these financial statements

NGANAMPA HEALTH COUNCIL INCORPORATED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2017

	Retained Surpluses \$	Asset Replacement Reserve \$	Total \$
<b>Balance at 01 July 2015</b>	<b>14,377,103</b>	<b>1,639,740</b>	<b>16,016,842</b>
<b>Comprehensive Income</b>			
Net surplus (deficit) for the year	(750,375)	-	(750,375)
Other comprehensive income for the year	-	-	-
Total comprehensive income attributable to members of the entity for the year	<u>(750,375)</u>	<u>-</u>	<u>(750,375)</u>
	<b>13,626,728</b>	<b>1,639,740</b>	<b>15,266,467</b>
Transfer to reserve	(385,609)	385,609	-
<b>Balance at 30 June 2016</b>	<u><b>13,241,119</b></u>	<u><b>2,025,349</b></u>	<u><b>15,266,467</b></u>
<b>Balance at 01 July 2016</b>	<b>13,241,119</b>	<b>2,025,349</b>	<b>15,266,467</b>
<b>Comprehensive Income</b>			
Net surplus (deficit) for the year	(427,013)	-	(427,013)
Other comprehensive income for the year	-	-	-
Total comprehensive income attributable to members of the entity for the year	<u>(427,013)</u>	<u>-</u>	<u>(427,013)</u>
	<b>12,814,106</b>	<b>2,025,349</b>	<b>14,839,454</b>
Transfer to reserve	(140,484)	140,484	-
<b>Balance at 30 June 2017</b>	<u><b>12,673,622</b></u>	<u><b>2,165,833</b></u>	<u><b>14,839,454</b></u>

**NGANAMPA HEALTH COUNCIL INCORPORATED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		23,750,893	21,041,287
Cash payments in the course of operations		(21,133,627)	(20,401,854)
Interest received		152,608	161,186
<b>Net cash provided by/(used in) operating activities</b>		<u>2,769,873</u>	<u>800,619</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment		(1,576,734)	(1,091,089)
Receipts from disposal of plant and equipment		168,110	298,634
<b>Net cash used in investing activities</b>		<u>(1,576,734)</u>	<u>(792,455)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net cash provided by financing activities</b>		<u>-</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		1,193,139	8,164
Cash and cash equivalents at the beginning of the financial year		<u>4,809,095</u>	<u>4,800,931</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	5	<u><u>6,002,234</u></u>	<u><u>4,809,095</u></u>

NGANAMPA HEALTH COUNCIL INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING**

**Basis of Preparation**

Nganampa Health Council Inc has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*. Accordingly, the association has also early adopted AASB 2011–2: *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements* and AASB 2012–7: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* in respect of AASB 2010–6: *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* and AASB 2011–9: *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*.

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) and 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.

The financial statements were authorised for issue on 12 September 2017 by the Board.

**Accounting Policies**

**a. Income Tax**

The Association is not subject to income tax and therefore no income tax expense or income tax payable is shown in the financial statements.

**b. Inventories on Hand**

Inventories held for sale are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Inventories held for distribution are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

**c. Property, Plant and Equipment**

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

NGANAMPA HEALTH COUNCIL INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

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.

*Fair value* is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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

Financial assets are classified at "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.

NGANAMPA HEALTH COUNCIL INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

**Impairment**

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 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 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 Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

**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.

**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.

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 2017

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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.

p. **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.

**NGANAMPA HEALTH COUNCIL INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

<b>NOTE 2 - REVENUE</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Grant Revenue:		
Operating grants - State & Federal Government	20,142,116	17,737,638
Capital grants - State & Federal Government	1,408,624	842,500
	<hr/>	<hr/>
Total Grant Revenue	21,550,741	18,580,139
Other Revenue:		
Interest	152,608	161,186
Other	940,929	2,194,912
	<hr/>	<hr/>
Total Other Revenue	1,093,537	2,356,098
Net gain (loss) on disposal of non current assets	102,472	93,232
	<hr/>	<hr/>
<b>TOTAL REVENUE</b>	<b>22,746,750</b>	<b>21,029,468</b>
	<hr/>	<hr/>
<b>NOTE 3 - GOODS AND SERVICES EXPENSES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Goods and services expenditure recorded in the Statement of Comprehensive Income comprises:		
Accounting fees	400	300
Bank charges	4,343	3,944
Client related expenses	687,424	675,850
Consultancy fees	446,163	425,689
Cleaning	121,781	120,787
Subscriptions/Membership Fees	-	12,235
Electricity & gas	250,980	249,188
External Auditors remuneration	30,051	29,715
Freight	102,168	108,064
Furnishings and equipments	159,974	65,890
Donations	5,884	35,807
Information technology	324,425	260,535
Insurance	113,980	119,323
Motor vehicle expenses	586,446	517,579
Office, administration & corporate expenses	107,748	124,269
Postage, printing & stationery	35,706	38,004
Program costs	46,011	28,302
Repairs, maintenance & rental costs	711,320	696,996
Staff development and recruitment	610,986	483,055
Patient Assisted Transport	800,532	818,219
Travel & accommodation	440,269	511,414
Telephone	209,913	212,215
	<hr/>	<hr/>
	<b>5,796,504</b>	<b>5,537,381</b>
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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 2017

NOTE 4 - NET GAIN (LOSS) ON DISPOSAL OF NON CURRENT ASSETS	2017 \$	2016 \$
Proceeds from disposal	168,110	248,589
Proceeds from insurance settlement	-	50,045
Less: net book value of assets disposed	(65,638)	(205,403)
Net gain / (loss) on disposal of non current assets	<u>102,472</u>	<u>93,231</u>

NOTE 5 - CASH AND CASH EQUIVALENT ASSETS	Notes	2017 \$	2016 \$
Cash at bank		1,795,669	721,541
Cash on term deposit		4,206,565	4,087,554
Cash on hand		-	-
	18	<u>6,002,234</u>	<u>4,809,095</u>

The effective interest rate on short-term bank deposits was 1.91% (2016: 2.51%).

**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>6,002,234</u>	<u>4,809,095</u>
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NOTE 6 - ACCOUNTS RECEIVABLE AND OTHER DEBTORS	Notes	2017 \$	2016 \$
Grant funding receivable		38,312	789,481
Other receivables		912,970	225,764
		<u>951,283</u>	<u>1,015,245</u>
Less: provision for doubtful debts		-	-
Total current accounts receivable and other debtors	18	<u>951,283</u>	<u>1,015,245</u>

**Financial assets classified as receivables**

Accounts receivable and other debtors	18	<u>951,283</u>	<u>1,015,245</u>
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NOTE 7 - OTHER CURRENT ASSETS	2017 \$	2016 \$
GST Claimable	-	177,476
Prepayments	82,033	64,021
	<u>82,033</u>	<u>241,497</u>

**NGANAMPA HEALTH COUNCIL INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

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

	2017	2016
	\$	\$
Leasehold buildings at cost	\$24,681,060.43	23,931,337
Less: accumulated depreciation	-\$14,108,894.95	(12,938,573)
	<u>10,572,165</u>	<u>10,992,764</u>
Plant and equipment at cost	\$5,243,918.84	4,859,407
Less: accumulated depreciation	-\$4,122,111.21	(3,701,401)
	<u>1,121,808</u>	<u>1,158,006</u>
Motor vehicles at cost	\$3,379,214.07	3,394,970
Less: accumulated depreciation	-\$1,849,459.53	(1,750,966)
	<u>1,529,755</u>	<u>1,644,004</u>
<b>Total property plant &amp; equipment</b>	<u><u>13,223,728</u></u>	<u><u>13,794,775</u></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;

	Leasehold Buildings \$	Plant & Equipment \$	Motor Vehicles \$	Total \$
Balance at 1 July 2016	10,992,765	1,158,006	1,644,006	13,794,777
Additions	749,723	393,114	433,898	1,576,734
Disposals	-	(1,105)	(64,532)	(65,638)
Depreciation expense	(1,170,322)	(428,207)	(483,615)	(2,082,144)
Carrying amount at 30 June 2017	<u>10,572,166</u>	<u>1,121,808</u>	<u>1,529,757</u>	<u>13,223,728</u>

**NOTE 9 - CURRENT LIABILITIES**

	2017	2016
	\$	\$
<b>Accounts Payable</b>		
Trade creditors and accruals	1,710,559	1,314,797
Anangu Scholarship Fund	-	8,930
Unexpended grants	838,814	1,033,292
Trade and other payables	<u>2,549,373</u>	<u>2,357,018</u>
<b>Employee benefits</b>	2,450,062	2,271,224
<b>Total current liabilities</b>	<u><u>4,999,435</u></u>	<u><u>4,628,243</u></u>

**Employee benefits are comprised of the following;**

Provision for payroll liabilities	554,802	492,724
Provision for annual airfare	86,684	95,042
Provision for annual leave	927,396	847,320
Provision for Superannuation	-	2,481
Provision for long service leave	881,179	833,658
	<u>2,450,062</u>	<u>2,271,224</u>

Provisions include the amount accrued for annual 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.

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

Opening balance at 1 July 2016	847,320	877,306
Additional provisions	771,532	731,799
Amounts used	(691,456)	(761,785)
Balance at 30 June 2017	<u>927,396</u>	<u>847,320</u>

**NGANAMPA HEALTH COUNCIL INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

<b>NOTE 10 - NON CURRENT LIABILITIES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Anangu Study Scholarship Fund	24,874	17,103
Stores rebate	-	40
Unexpended Grants	483,524	
Deceased estates/other	19,714	19,714
	<u>528,112</u>	<u>36,857</u>
Employee benefits - provision for long service leave	185,653	199,626
Total non current liabilities	<u><u>713,765</u></u>	<u><u>236,483</u></u>

**NOTE 11 - ASSET REPLACEMENT RESERVE**

The Asset Replacement Reserve represents funds set aside for future replacement of the following types of assets:

Motor vehicles	1,578,491	1,485,349
Medical Equipment	587,342	540,000
Total asset replacement reserve	<u><u>2,165,833</u></u>	<u><u>2,025,349</u></u>

**NOTE 12 - FINANCIAL LIABILITIES**

Notes

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Financial liabilities at amortised cost classified as accounts payable and other payables		
Accounts payable and other payables		
Total current	4,999,435	4,628,243
Total non current	713,765	236,483
	<u>5,713,200</u>	<u>4,864,725</u>
Less: Unexpended Grants	(1,322,338)	(1,033,292)
Less: Provision for employee benefits	(2,635,715)	(2,470,850)
Financial liabilities as accounts payable and other payables	<u><u>1,755,147</u></u>	<u><u>1,360,584</u></u>

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**Collateral pledged**

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

**NOTE 13 - COMMITMENTS**

**Operating Lease Commitments**

Non-cancellable operating leases contracted for but not recognised in the financial statements

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Office rent	63,873	127,745
Motor vehicle	6,689	13,508
Total operating lease commitments	<u>70,562</u>	<u>141,253</u>
Operating lease commitments are payable:		
- not later than 1 year	70,562	71,978
- between 12 months and 5 years		69,275
- later than 5 years	-	-
Total operating lease commitments	<u><u>70,562</u></u>	<u><u>141,253</u></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 30 June 2018. 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 2017**

**NOTE 14 - 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:

	2017 \$	2016 \$
Short term benefit	1,177,279	1,115,169
Post employment benefit	92,269	89,093
	<hr/>	<hr/>
Total Compensation	1,269,548	1,204,262
	<hr/> <hr/>	<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.

	2017 \$	2016 \$
Short term benefit	230,083	301,739
Post employment benefit	18,853	22,007
	<hr/>	<hr/>
Total Compensation	248,936	323,746
	<hr/> <hr/>	<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 15 - AUDITOR REMUNERATION**

	2017 \$	2016 \$
<b>Auditor Remuneration</b>		
Audit services	30,051	33,565
Non-audit services	400	400
	<hr/>	<hr/>
	30,451	33,965
	<hr/> <hr/>	<hr/> <hr/>

**NOTE 16 - ECONOMIC DEPENDENCY**

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

**NOTE 17 - 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 2017**

**NOTE 18 FINANCIAL RISK MANAGEMENT**

The Association's financial instruments consist mainly of Term deposits with big four banks, accounts payable and receivable. The Association does not have any derivative financial instruments as at 30 June 2017 & 2016.

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:

<b>FINANCIAL ASSETS</b>	Notes	<b>2017</b>	<b>2016</b>
		\$	\$
Cash and cash equivalents	5	6,002,234	4,809,095
Accounts receivable and other debtors	6	951,283	1,015,245
<b>TOTAL FINANCIAL ASSETS</b>		<u>6,953,517</u>	<u>5,824,341</u>
<b>FINANCIAL LIABILITIES</b>			
Accounts payable and other payables	12	1,755,147	1,360,584
<b>TOTAL FINANCIAL LIABILITIES</b>		<u>1,755,147</u>	<u>1,360,584</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 19 - CAPITAL COMMITMENTS**

A contract has been signed for the construction of Aged Care Capital Works at Pukatja. The contracted sum for the construction is \$1,291,380. Total amount spent on the project at 30 June 17 was \$691,189. Total unspent funds as at 30 June 17 are \$600,191.

**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 14, 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 2017 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        day of October 2017