NGANAMPA HEALTH COUNCIL

STATUTORY FINANCIAL REPORT

YEAR ENDED 30 JUNE 2013

NGANAMPA HEALTH COUNCIL INCORPORATED

STATUTORY FINANCIAL REPORT
YEAR ENDED 30 JUNE 2013

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Photograph:

Photograph by Cyndi Cole

NGANAMPA HEALTH COUNCIL INCORPORATED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
Revenue			
Grant revenue	2	17,126,457	19,169,447
Other revenue	2	1,680,394	1,499,015
Net gain on disposal of non current assets	4	339,857	186,607
TOTAL REVENUE		19,146,708	20,855,069
Expenses			
Employee benefits expenses		12,000,359	11,036,276
Goods and services expenses	3	6,074,686	6,094,482
Finance costs		-	-
Depreciation expense	8	1,986,105	1,863,079
TOTAL EXPENSES		20,061,150	18,993,837
Total comprehensive Income for the year		(914,442)	1,861,232

NGANAMPA HEALTH COUNCIL INCORPORATED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 $	2012 $
CURRENT ASSETS			
Cash and cash equivalents	5	3,367,303	3,337,567
Accounts receivable and other debtors	6	624,598	668,749
Inventories on hand		314,357	269,591
Other current assets	7	182,546	257,152
TOTAL CURRENT ASSETS		4,488,804	4,533,059
NON-CURRENT ASSETS			
Property, plant and equipment	8	15,750,657	16,717,645
TOTAL NON-CURRENT ASSETS		15,750,657	16,717,645
TOTAL ASSETS		20,239,461	21,250,704
CURRENT LIABILITIES			
Trade and other payables	9	2,373,374	2,722,528
Employee benefits	9	1,634,473	1,370,385
TOTAL CURRENT LIABILITIES		4,007,847	4,092,913
NON-CURRENT LIABILITIES			
Employee benefits	10	209,929	216,109
Other non-current liabilities	10	38,003	43,554
TOTAL NON-CURRENT LIABILITIES		247,932	259,663
TOTAL LIABILITIES		4,255,779	4,352,576
NET ASSETS		15,983,682	16,898,128
EQUITY			
Retained surpluses		15,144,212	15,998,411
Asset replacement reserve	11	839,473	899,715
TOTAL EQUITY		15,983,685	16,898,126

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Retained Surpluses $	Asset Replacement Reserve $	Total $
Balance at 1 July 2011	14,057,871	979,024	15,036,895
Net surplus/(deficit) attributable to the members of the entity	1,861,231		1,861,231
Transfer to reserve	79,309	(79,309)	
Balance at 30 June 2012	**15,998,411**	**899,715**	**16,898,126**
Net surplus/(deficit) attributable to the members of the entity	(914,441)	-	(914,441)
Transfer to reserve	60,242	(60,242)	0
Balance at 30 June 2013	**15,144,212**	**839,473**	**15,983,685**

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		18,934,750	21,053,128
Cash payments in the course of operations		(18,402,305)	(18,703,004)
Interest received		176,553	241,948
Net cash provided by/(used in) operating activities		708,998	2,592,072
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(1,161,902)	(3,445,461)
Receipts from disposal of plant and equipment		482,641	260,867
Net cash used in investing activities		(679,261)	(3,184,594)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by financing activities		-	-
NET INCREASE/(DECREASE) IN CASH HELD		29,737	(592,522)
Cash and cash equivalents at the beginning of the financial year		3,337,567	3,930,089
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	5	3,367,304	3,337,567

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 *Associations Incorporation Reform 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 10 October 2013 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:

Class of Fixed Asset	Depreciation Rate
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.

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.

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 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.

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.

q. **Change in Accounting Policies**

Presentation of financial statements

Nganampa Health Council Inc has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053.

Early adoption only changed the presentation of the association's financial statements and did not have any impact on the amounts reported for the current period or for any prior period in the association's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 2 - REVENUE

	2013 $	2012 $
Grant Revenue:		
Operating grants - State & Federal Government	16,375,014	15,984,856
Capital grants - State & Federal Government	751,443	3,184,591
Total Grant Revenue	17,126,457	19,169,447
Other Revenue:		
Interest	176,553	241,948
Other	1,503,841	1,257,067
Total Other Revenue	1,680,394	1,499,015
Net gain on disposal of non current assets	339,857	186,607
TOTAL REVENUE	19,146,708	20,855,069

NOTE 3 - GOODS AND SERVICES EXPENSES

Goods and services expenditure recorded in the Statement of

	2013 $	2012 $
Accounting fees	3,755	300
Bank charges	1,861	1,853
Client related expenses	533,644	546,051
Consultancy fees	693,840	587,846
Cleaning	90,967	88,707
Donations & subscriptions	8,535	10,842
Electricity & gas	183,048	135,394
External Auditors remuneration	29,760	20,592
Freight	100,736	102,285
Furnishings and equipments	90,288	158,460
Grants refunded	328,989	440,177
Information technology	382,292	324,907
Insurance	171,565	167,214
Motor vehicle expenses	537,092	532,692
Postage, printing & stationery	47,633	38,678
Program costs	34,073	62,021
Repairs, maintenance & rental costs	787,567	798,400
Staff development and recruitment	263,561	270,556
Travel & accommodation	789,842	834,244
Telephone	196,238	173,795
	5,074,687	6,094,482

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.

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

	2013 $	2012 $
Proceeds from disposal	410,459	201,151
Proceeds from insurance settlement	72,182	59,716
Less: net book value of assets disposed	(142,784)	(74,260)
Net gain / (loss) on disposal of non current assets	339,857	186,607

NOTE 5 - CASH AND CASH EQUIVALENT ASSETS

	Notes	2013 $	2012 $
Cash at bank		566,849	1,154,883
Cash on deposit		2,800,254	2,182,484
Cash on hand		200	200
	18	3,367,303	3,337,567

The effective interest rate on short-term bank deposits was 4.08% (2012: 4.03%).

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:

	2013 $	2012 $
Cash and cash equivalents	3,367,303	3,337,567

NOTE 6 - ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	Notes	2013 $	2012 $
Grant funding receivable		613,104	655,623
Other receivables		11,494	13,126
		624,598	668,749
Less: provision for doubtful debts		-	-
Total current accounts receivable and other debtors	18	624,598	668,749
Financial assets classified as receivables			
Accounts receivable and other debtors	18	624,598	668,749

NOTE 7 - OTHER CURRENT ASSETS

	2013 $	2012 $
GST Claimable	167,768	254,759
Rental Bond	-	2,393
Prepayments	14,778	-
	182,546	257,152

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

	2013 $	2012 $
Leasehold buildings at cost	21,483,844	21,390,130
Less: accumulated depreciation	(9,614,836)	(8,568,682)
	11,869,008	12,821,448
Plant and equipment at cost	4,575,988	4,445,603
Less: accumulated depreciation	(2,904,192)	(2,591,059)
	1,671,796	1,854,544
Motor vehicles at cost	3,393,712	3,476,458
Less: accumulated depreciation	(1,183,859)	(1,434,805)
	2,209,853	2,041,653
Total property plant & equipment	15,750,657	16,717,645

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 2012	12,821,448	1,854,544	2,041,653	16,717,645
Additions	93,714	270,871	797,317	1,161,902
Disposals		-	(142,784)	(142,784)
Depreciation expense	(1,046,154)	(453,619)	(486,333)	(1,986,106)
Carrying amount at 30 June 2013	11,869,008	1,671,796	2,209,853	15,750,657

NOTE 9 - CURRENT LIABILITIES

	2013 $	2012 $
Accounts Payable		
Trade creditors and accruals	1,178,707	1,491,956
Anangu Study Scholarship Fund	6,240	6,240
Unexpended grants	1,188,427	1,224,332
Trade and other payables	2,373,374	2,722,528
Employee benefits	1,634,473	1,370,385
Total current liabilities	4,007,847	4,092,913

Employee benefits are comprised of the following;

	2013	2012
Provision for payroll liabilities	172,783	158,342
Provision for annual leave	802,490	698,240
Provision for long service leave	585,080	438,772
	1,634,473	1,370,385

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.

NOTE 10 - NON CURRENT LIABILITIES

	2013 $	2012 $
Anangu Study Scholarship Fund	20,367	25,918
Stores rebate	40	40
Deceased estates/other	17,596	17,596
	38,003	43,554
Employee benefits - provision for long service leave	209,929	216,109
Total non current liabilities	247,932	259,663

NOTE 11 - ASSET REPLACEMENT RESERVE

The Asset Replacement Reserve represents funds set aside for future replacement of motor vehicles.

NOTE 12 - FINANCIAL LIABILITIES

	Notes	2013 $	2012 $
Financial liabilities at amortised cost classified as accounts payable and other payables			
Accounts payable and other payables			
Total current		4,007,847	4,092,913
Total non current		247,932	259,663
		4,255,779	4,352,575
Less: Unexpended Grants		(1,188,427)	(1,224,332)
Less: Provision for employee benefits		(1,844,403)	(1,586,494)
Financial liabilities as accounts payable and other payables	18	1,222,950	1,541,749

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

NOTE 13 - COMMITMENTS

	2013 $	2012 $
Office rent	482,477	656,458
Motor vehicle	21,165	1,692
Total operating lease commitments	503,642	658,149
Operating lease commitments are payable:		
- not later than 1 year	172,711	165,806
- later than 1 year but not later than 5 years	330,931	492,343
Total operating lease commitments	503,642	658,149

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 2016.
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.

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;

	2013 $	2012 $
Short term benefit	1,011,770	1,133,702
Post employment benefit	117,861	181,713
Total Compensation	1,129,631	1,315,415

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.

	2013 $	2012 $
Short term benefit	223,292	238,037
Post employment benefit	70,404	57,288
Total Compensation	293,696	295,325

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

	2013 $	2012 $
Auditor Remuneration		
Audit services	29,760	20,592
Non-audit services	300	300
	30,060	20,892

NOTE 16 - ECONOMIC DEPENDENCY

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

NOTE 17 - CONTINGENT LIABILITIES

At 30 June 2013 the Association estimates it has no contingent liabilities.

NOTE 18 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 2013 & 2012.

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	2013	2012
FINANCIAL ASSETS		$	$
Cash and cash equivalents	5	3,367,303	3,337,567
Accounts receivable and other debtors	6	624,598	668,749
TOTAL FINANCIAL ASSETS		3,991,901	4,006,316
FINANCIAL LIABILITIES			
Accounts payable and other payables	12	1,222,950	1,541,749
TOTAL FINANCIAL LIABILITIES		1,222,950	1,541,749

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 - ASSOCIATION DETAILS

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

3 Wilkinson Street
Alice Springs NT 0871

NOTE 20 - 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 FOR THE YEAR ENDED 30 JUNE 2013

In the opinion of the committee the attached financial report being the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and Notes to the Financial Statements for the year ended 30 June 2013:

1 Presents a true and fair view of the financial position of Nganampa Health Council Incorporated as at 30 June 2013 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations of the Australian Accounting Standards Board).

2 In accordance with section 35(5) of the Associations Incorporation Act 1985, the committee hereby states that during the financial year ended 30 June 2013

(a) (i) no officer of the association;
(ii) no firm of which an officer is a member, and
(iii) no body corporate in which an officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the association.

(b) Officers of the association receive salaries in their role as employees of the Association. Other than this no officer of the assocation has received directly or indirectly from the association any payment or other benefit of a pecuniary value.

3 At the date of this statement there are reasonable grounds to believe that Nganampa Health Council Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Board Member

Imuna Fraser
Board Member

Signed in **Umuwa** this **10th** day of **October 2013**

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

&CO
chartered
accountants

Report on the Financial Report

We have audited the accompanying financial report of Nganampa Health Council Incorporated (the association), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act 1985 and for such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report that gives a true and fair view 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 association's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Basso Newman & Co
ABN 31 960 764 316

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Adelaide, South Australia

PO Box 7033 Hutt Street,
South Australia 5000

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

basso newman & CO chartered accountants

Auditor's Opinion

In our opinion, the financial report of Nganampa Health Council Incorporated is in accordance with the Associations Incorporation Act 1985 including:

i. giving a true and fair view of the association's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements

Trevor Basso - Partner
Basso Newman & Co
Chartered Accountants
Adelaide
Dated this 29th day of October 2013

Government of South Australia
SA Health

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45 Grenfell St
Adelaide SA 5000

DX 243 Adelaide

PO Box 287
Rundle Mall
Adelaide SA 5000

Telephone (08) 8425 2450
Facsimile (08) 8425 2471

Finance & Administration

Reference No: 2010-05406

Mr David Busuttil
Health Services Manager
Nganampa Health Council
PO Box 2232
ALICE SPRINGS NT 0871

Dear David

Re: Indemnity and Insurance

In response to your recent e-mail, I confirm that Nganampa Health Council is indemnified and insured for services provided in accordance with its agreement with the Department of Health under the Department's Self Insured Program.

The insurance, which is for an amount not less than $20.0 million, covers:

- Professional Indemnity
- Public Liability

The Self Insured Program which also covers motor vehicles and property and contents applies from 1 July 2012 to 30 June 2013.

Yours sincerely

JOHN MARKIC
Manager
Insurance Services

31 August 2012