Gwalwa Daraniki Association Incorporated

Special Purpose Financial Statements
For The Year Ended 30 June 2017

Gwalwa Daraniki Association Incorporated
Committee members' report
30 June 2017

The committee members present their report, together with the financial statements, on the Association for the year ended 30 June 2017.

Committee members
The following persons were committee members of the Association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Helen Secretary (Chairperson)
Wayne Alum (Vice Chairperson) – Retired 07/05/2017
Jacqueline Treves (Vice chairman & Public officer)
Michelle Nelson (Secretary)
Lynette Nelson (Treasurer)
Mark Hopkins
Anna Secretary
Kathleen Secretary – Retired 07/05/2017
Helen Shields
Setiona Shields – Retired 07/05/2017
Nicole Shields – Appointed 07/05/2017
Trent Faint – Appointed 07/05/2017
Christopher Nelson – Appointed 07/05/2017
Anthony Nelson – Appointed 07/05/2017

Significant changes in the state of affairs
There were no significant changes during the year.

Principal activities
The Gwalwa Daraniki Association administers the area of Gwalwa Daraniki land which contains the Town Camps of Kulaluk and Minmarama Park.

Review of operations
The net loss of the Association for the financial year amounted to $(558,282) (2016: $(817,068)).

On behalf of the committee members

Helen Secretary
Chairperson

Jacqueline Treves
Treasurer

12th February 2019
Darwin

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General information

The financial statements cover Gwalwa Daraniki Association Incorporated as an individual entity. The financial statements are presented in Australian dollars, which is Gwalwa Daraniki Association 's functional and presentation currency.

Gwalwa Daraniki Association is a not-for-profit association, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

95 Dickward Drive
Nightcliff

Principal place of business

95 Dickward Drive
Nightcliff

A description of the nature of the Association's operations and its principal activities are included in the committee members' report, which is not part of the financial statements.

The financial statements were authorised for issue on 12 February 2019.

HELEN SECRETARY

Gwalwa Daraniki Association Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2017

	Note	2017 $	2016 $
Revenue	3	471,335	371,389
Expenses			
Employee expense		(127,599)	(151,220)
Depreciation expense		(483,143)	(483,659)
Office expenses		(8,299)	(11,650)
Other expenses		(363,260)	(499,558)
Interest		(47,316)	(42,370)
Deficit for the year	11	(558,282)	(817,068)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(558,282)	(817,068)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Gwalwa Daraniki Association Incorporated
Statement of financial position
As at 30 June 2017

	Note	2017 $	2016 $
Assets			
Current assets			
Cash and cash equivalents	4	5	16,521
Trade and other receivables	5	36,432	76,619
Other	6	-	-
Total current assets		36,437	93,140
Non-current assets			
Property, plant and equipment	7	7,508,275	7,984,081
Investment properties	8	5,000,000	5,000,000
Total non-current assets		12,508,275	12,984,081
Total assets		12,544,712	13,077,221
Liabilities			
Current liabilities			
Trade and other payables	9	1,384,234	1,146,384
Other	10	594,733	766,301
Total current liabilities		1,978,967	1,912,685
Non-current liabilities			
Loans		61,449	165,838
Total non-current liabilities		61,449	165,838
Total liabilities		2,040,416	2,078,523
Net assets		10,504,296	10,998,698
Equity			
Retained surpluses	11	799,240	1,293,642
Asset revaluation reserve	12	9,705,056	9,705,056
Total equity		10,504,296	10,998,698

The above statement of financial position should be read in conjunction with the accompanying notes

Gwalwa Daraniki Association Incorporated
Statement of changes in equity
For the year ended 30 June 2017

	Asset revaluation reserve $	Retained surpluses $	Total equity $
Balance at 30 June 2015	9,705,056	2,110,710	11,815,766
Deficit	-	(817,068)	(817,068)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	9,705,056	1,293,642	10,998,698
Balance at 30 June 2016	9,705,056	1,293,642	10,998,698
Deficit	-	(558,282)	(558,282)
Prior period adjustment		63,880	63,880
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(494,402)	(494,402)
Balance at 30 June 2017	9,705,056	799,240	10,504,296

The above statement of changes in equity should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted
The Association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
In the Committee members' opinion, the Association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with *the Northern Territory Associations Act*. The Committee members have determined that the accounting policies adopted are appropriate to meet the needs of the members of Gwalwa Daraniki Association.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

Historical cost convention
The financial report is prepared on an accrual basis and based on historical cost convention and does not take into account changing money values, except to the extent that they are reflected in the revaluation of certain assets. Cost is based on the fair value of the consideration given in the exchange for assets.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the Association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Donations
Donations are recognised at the time the pledge is made.

Grants
Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
As the Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Note 1. Significant accounting policies (continued)

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents include cash on hand and deposits held at call with financial institutions.

Trade and other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	20 years
Plant and equipment	6.66 years
Motor vehicles	6.66 years
Office equipment	2.5 to 7.5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 1. Significant accounting policies (continued)

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting period ended 30 June 2017. The Association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	2017 $	2016 $
Grants	33,120	4,500
Profit on disposal	-	-
Rent income	438,215	306,889
Sundry income	-	60,000
	471,335	371,389

Note 4. Cash and cash equivalents

	2017 $	2016 $
Cash at bank	5	16,521
	5	16,521

Note 5. Trade and other receivables

	2017 $	2016 $
Other receivables	36,432	
Trade receivables	-	76,619
	36,432	76,619

Note 6. Other

	2017 $	
GST receivable	-	
	-	

Gwalwa Daraniki Association Incorporated
Notes to the financial statements
30 June 2017

Note 7. Property, plant and equipment

	2017 $	2016 $
Buildings –at revalued amount	12,725,487	12,725,487
Less: Accumulated depreciation	(5,287,724)	(4,819,723)
	7,437,763	7,905,764
Plant and equipment - at cost	181,638	177,546
Less: Accumulated depreciation	(125,511)	(116,469)
	56,127	61,077
Motor vehicles - at cost	164,271	164,271
Less: Accumulated depreciation	(156,073)	(152,127)
	8,198	12,144
Office equipment - at cost	48,518	45,273
Less: Accumulated depreciation	(42,331)	(40,177)
	6,187	5,096
	7,508,275	7,984,081

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Buildings $	Plant and equipment $	Motor vehicles $	Office equipment $	Total $
Balance at 1 July 2016	8,373,765	62,985	12,186	7,304	8,456,240
Additions	-	7,500	4,000	-	11,500
Depreciation expense	(468,001)	(9,408)	(4,042)	(2,208)	(483,659)
Balance at 30 June 2016	7,905,764	61,077	12,144	5,096	7,984,081
Additions	-	4,091	-	3,246	7,337
Depreciation expense	(468,001)	(9,042)	(3,946)	(2,154)	(483,143)
Balance at 30 June 2017	7,437,763	56,126	8,198	6,188	7,508,275

Prescribed property

The Association's properties, Lot 5182 and Lot 8630, are defined as 'prescribed property' under Section 4 of the Northern Territory Associations Act. Being prescribed property, the Association is prohibited from disposing or otherwise encumbering such assets without the express authority of the Minister.

Note 8. Investment properties

	2017 $	2016 $
Investment properties	5,000,000	5,000,000

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2017 $	2016 $
Opening fair value	5,000,000	5,000,000
Transfer from property, plant and equipment	-	-
Closing fair value	5,000,000	5,000,000

Note 9. Trade and other payables

	2017 $	2016 $
Trade and other payables	1,384,234	1,146,384
	1,384,234	1,146,384

Note 10. Other

	2017 $	2016 $
Sundry creditors	456,762	481,621
Accrued expenses	6,000	-
Superannuation payable	119,788	109,889
Income received in advance	-	98,272
PAYG payable	8,800	42,255
GST payable	3,383	34,264
	594,733	766,301

Note 11. Equity - retained surpluses

	2017 $	2016 $
Retained surpluses at the beginning of the financial year	1,293,642	2,110,710
Deficit for the year	(558,282)	(817,068)
Prior period adjustment	63,880	-
Retained surpluses at the end of the financial year	799,240	1,293,642

Note 12. Asset revaluation reserve

	2017 $	2016 $
Balance at the beginning of financial year	9,705,056	9,705,056
Movement in Asset revaluation reserve		-
Balance at the end of the financial year	**9,705,056**	9,705,056

Note 13. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by TDH Chartered Accountants, the auditor of the Association:

	2017 $	2016 $
Auditing or reviewing the financial statements	6,000	4,500

Note 14. Contingent liabilities

The Association had no contingent liabilities as at 30 June 2017.

Note 15. Commitments

The Association had no commitments for expenditure as at 30 June 2017.

Note 16. Events after the reporting period

No matter or circumstance has arisen since year end that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

Gwalwa Daraniki Association Incorporated
Committee members' declaration
30 June 2017

In the Committee members' opinion:

- the Association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the *Northern Territory Associations Act* and associated regulations;

- the attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Association's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

On behalf of the Committee members

Helen Secretary
Chairperson

12th February 2019
Darwin

TDH
chartered accountants

Tel: 08 8941 1460
Fax: 08 8941 1450
Email: admin@tdhnt.com.au

212/12 Salonika Street
Parap NT 0820

GPO Box 4587
Darwin NT 0801

Independent Audit Report
to the members of Gwalwa Daraniki Association Incorporated.

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We have audited the accompanying financial statements, being the special purpose financial statements of Gwalwa Daraniki Association Incorporated (the Association), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income for the year ended, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies, and committee's report.

We do not express an opinion on the accompanying financial statements of the Association. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

The committee of the Association did not keep written financial records that correctly record and explain the transactions and financial position of the Association which enable the financial report to be prepared and audited for the year ended 30 June 2017.

We were unable to obtain sufficient and appropriate audit evidence to support the disclosed balances for:

- The Asset Revaluation Reserve;
- Property Plant and Equipment;
- Trade and other payables;
- Loans payable;
- Employee benefits;
- Income; and
- Expenditure.

As a result, we were unable to determine whether the carrying amount of these disclosures in the financial statements is materially correct.

In addition, the statement of financial position identifies the existence of a deficiency of current net assets totaling $1,942,530. Such a significant deficiency suggests preparing these financial statements on a going concern basis may not be appropriate.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Association in fulfilling the financial reporting requirements of the *Associations Act (2003) of the Northern Territory*. As a result the financial statements may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial statements in accordance with financial reporting requirements of the Associations Act (2003) of the Northern Territory and the Association's constitution and for such internal control as the management determines is necessary to enable the preparation of the financial statements is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association'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 intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Association in accordance with the ethical 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.

TDH Chartered Accountants

Adam Dohnt (FCA)
Registered Company Auditor
Darwin

12 February 2019