

**Ngala Community Services**  
**ABN 35 129 500 223**  
**Annual Special Purpose Financial Report 30 June 2018**

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## **Corporate Information**

ABN 35 129 500 223

### **Directors**

Martin Black

David Izzard

Veronica Kretzer

Jen Ehlers

Andrew Annand

Dr Lucy Hopkins

Kimberly Stokes

Shelley Archer

Dr Vicki Banham

Prue Hawkins

### **Company Secretaries**

Fiona Beermier

Simon Green

### **Registered Office and Principal place of business**

9 George Street

Kensington WA 6151

### **Bankers**

Bankwest

Bankwest Place

300 Murray Street

Perth WA 6000

Bendigo Bank

79 Forrest Street

Geraldton WA 6530

### **Auditors**

Grant Thornton Audit Pty Ltd

Level 43, 152-158 St Georges Terrace

Perth WA 6000

DIRECTORS' REPORT

Ngala Community Services directors present the annual financial report on the Company for the financial year ended 30 June 2018.

**Directors**

The names of each person who has been a director during the year and to the date of this report, unless otherwise stated, are:

Chairperson	Martin Black Director Corporate Communications
Deputy Chair	Jen Ehlers Management Consultant EY
Treasurer	David Izzard GIACD, CSA, MBA, CPA, B.Business CFO and Company Secretary, SMS Rental (WA) Pty Ltd
Other Directors	Dr Veronika Kretzer MBBS, DCH (WA), FRACP (Aust) Paediatrician Princess Margaret Hospital
	Kiersten Gregg – resigned 28 June 2018 B.Economics, HR/IR Director – Blueprint HR Consulting
	Peter Young – resigned 29 March 2018 LLB Lawyer
	Andrew Annand – appointed 30 November 2017 B.Business, FCA, GAICD Independent Financial Advisor
	Craig Heatley – resigned 30 November 2017 Partner - Assurance PricewaterhouseCoopers
	Dr Lucy Hopkins (leave of absence effective 29 March 2018) Lecturer, Children and Family Studies, Edith Cowan University
	Dr Vicki Banham (Appointed 29 March 2018 as Alternate Director for Dr Lucy Hopkins) Associate Dean (Social Work, Social Science, Counselling, Youth Work), School of Arts and Humanities, Edith Cowan University
	Kimberly Stokes Small Business Advisor
	Shelley Archer Graduate Certificate in Indigenous Sector Management, ECU Aboriginal Development Consultant
	Prue Hawkins – appointed 26 July 2018 LLB Director, Empire Barristers & Solicitors

**Meetings of Directors**

During the financial year, nine meetings of directors were held. Attendances by each director were as follows:

	Eligible to attend	Attended
Martin Black	9	8
Jen Ehlers	9	8
Peter Young	7	6
David Izzard	9	7
Veronika Kretzer	9	6
Kiersten Gregg	9	5
Andrew Annand	5	4
Craig Heatley	5	4
Lucy Hopkins	5	4
Vicki Banham	3	2
Kimberly Stokes	9	6
Shelley Archer	9	6

**Contribution in winding up**

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the Company are liable to contribute if the Company is wound up is \$80 (2017: \$80).

**Company Secretary**

Fiona Beermier was appointed Company Secretary effective 1 August 2017; Simon Green was appointed joint Company Secretary effective 30 November 2017.

**Principal Activities**

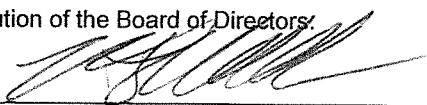
Provision of parenting and family support programs for children, youth and families either universal or targeted, which build individual, family and community capacity including in partnership with other providers.

**Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under s.60-40 of the *Australian Charities and Not for Profits Commission Act 2012* is included on page 6 of this financial report and form part of the Director's Report.

Signed in accordance with a resolution of the Board of Directors:

Director



Martin Black (Chairperson)

Dated this 30<sup>th</sup> day of August 2018

## Auditor's Independence Declaration

To the Directors of Ngala Community Services

In accordance with the requirements of section 60-40 of the Australian Charities and Not for Profit Commission Act 2012, as lead auditor for the audit of Ngala Community Services for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



C A Becker  
Partner – Audit & Assurance

Perth, 30 August 2018

Ngala Community Services ABN 35 129 500 223

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

	Note	2018	2017
		\$	\$
Revenue from government and other funding		10,282,441	9,616,531
Management charges to other Ngala entities		-	958,018
Management charge to Alexandra Village		200,004	200,004
Property charges to other Ngala entities		-	22,542
Gain arising on business combination with GRCEC	11	-	1,640,724
Client fees		19,345	43,702
Interest income		43,495	47,844
Fundraising and donations		9,534	37,071
Other income	2	169,191	143,193
<b>Total income</b>		<b>10,724,010</b>	<b>12,709,629</b>
Employee benefits expense		8,849,145	8,691,470
Travel expenses		262,253	248,729
Program supplies/consumables		780,689	277,640
Property, rent and utilities expense		506,432	476,398
Property charges from Ngala Family Services		34,827	231,353
General administrative expense		545,125	495,549
Information systems expense		285,690	286,775
Management charges from Ngala Family Services		-	197,108
Other expenses		90,060	17,658
Depreciation and amortisation	6	159,983	346,923
<b>Total expenses</b>		<b>11,514,204</b>	<b>11,269,603</b>
<b>Net current year surplus/(deficit)</b>		<b>(790,194)</b>	<b>1,440,026</b>
Other comprehensive income		-	-
<b>Total comprehensive surplus / (deficit) for the year</b>		<b>(790,194)</b>	<b>1,440,026</b>

The accompanying notes form part of these financial statements.

Ngala Community Services ABN 35 129 500 223  
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,355,048	1,267,226
Trade receivables	4	12,559	929,721
Amounts due from other Ngala entities		780,270	1,328,878
Other current assets	5	437,081	219,785
<b>TOTAL CURRENT ASSETS</b>		<u>2,584,958</u>	<u>3,745,610</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	1,693,587	2,527,221
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,693,587</u>	<u>2,527,221</u>
<b>TOTAL ASSETS</b>		<u><b>4,278,545</b></u>	<u><b>6,272,831</b></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	1,640,939	1,605,026
Provision for long service leave		314,676	467,777
Amount due to Ngala Children's Services		12,083	-
Grants received in advance	9	587,801	1,562,109
Finance leases	8	24,815	301,393
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,580,314</u>	<u>3,936,305</u>
<b>NON-CURRENT LIABILITIES</b>			
Provision for long service leave		227,535	75,636
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>227,535</u>	<u>75,636</u>
<b>TOTAL LIABILITIES</b>		<u>2,807,849</u>	<u>4,011,941</u>
<b>NET ASSETS</b>		<u><b>1,470,696</b></u>	<u><b>2,260,890</b></u>
<b>EQUITY</b>			
Reserves	12	52,173	52,173
Retained earnings		1,418,523	2,208,717
<b>TOTAL EQUITY</b>		<u><b>1,470,696</b></u>	<u><b>2,260,890</b></u>

The accompanying notes form part of these financial statements.



Ngala Community Services ABN 35 129 500 223

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

	Retained Earnings	Reserves	Total
	\$	\$	\$
<b>Balance at 30 June 2016</b>	<b>768,691</b>	<b>52,173</b>	<b>820,864</b>
<b>Comprehensive income</b>			
Surplus for the year	1,440,026	-	1,440,026
<b>Total comprehensive income</b>	<b>1,440,026</b>	<b>-</b>	<b>1,440,026</b>
<b>Balance at 30 June 2017</b>	<b>2,208,717</b>	<b>52,173</b>	<b>2,260,890</b>
<b>Comprehensive income</b>			
Surplus/(deficit) for the year	(790,194)	-	(790,194)
<b>Total comprehensive income</b>	<b>(790,194)</b>	<b>-</b>	<b>(790,194)</b>
<b>Balance at 30 June 2018</b>	<b>1,418,523</b>	<b>52,173</b>	<b>1,470,696</b>

The accompanying notes form part of these financial statements.

Ngala Community Services ABN 35 129 500 223

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		11,591,832	10,601,160
Payments to suppliers and employees		(10,972,837)	(11,917,521)
Interest received		43,495	47,844
<b>Net cash used in operating activities</b>	10	<b>662,490</b>	<b>(1,268,517)</b>
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of GRCEC	11	-	2,064,484
Purchase of non-current assets		(298,090)	(19,613)
Proceeds on sale of non-current assets		-	-
<b>Net cash used in investing activities</b>		<b>((298,090))</b>	<b>2,044,871</b>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of loan to The Alexandra Village Trust		-	(200,000)
Repayment of finance leases		(276,578)	-
<b>Net cash (used in) provided by financing activities</b>		<b>(276,578)</b>	<b>(200,000)</b>
Net increase/(decrease) in cash held		87,822	576,354
Cash at beginning of financial year		1,267,226	690,872
<b>Cash at end of financial year</b>	3	<b>1,355,048</b>	<b>1,267,226</b>

The accompanying notes form part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ngala Community Services (the "Company") is a company limited by guarantee, incorporated and domiciled in Australia.

**Reporting Basis and Conventions**

The directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not for Profits Commission Act 2012*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The Company is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the requirements of the *Australian Charities and Not for Profits Commission Act 2012*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

In addition, these financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of the following:

- AASB 101 Presentation of Financial Statements,
- AASB 107 Statement of Cash Flows,
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors,
- AASB 1031 Materiality,
- AASB 1048 Interpretation of Standards,
- AASB 1054 Australian Additional Disclosures.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies that have been adopted in the preparation of these statements are presented below.

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

The financial statements were authorised for issue on 30 August 2018 by the directors of the Company.

**Going Concern**

The Company has a working capital of \$4,644 and has incurred a loss during the period of \$790,194. As at 30 June 2018, the Company had cash and cash equivalents of \$1,355,048 (2017: \$1,267,226).

The financial report has been prepared on the going concern basis despite the Company's current liabilities exceeding its current assets. The Company has received a letter of support from its affiliate, Ngala Family Services, that if the Company is not able to pay its liabilities as and when they become due and payable, sufficient funding will be provided to enable it to continue as a going concern.

In addition, if the Company is unable to continue as a going concern, it may be required to realise its assets and/or settle its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report.

**Accounting Policies**

**a. Income Tax**

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

**b. Plant and equipment**

Plant and equipment are measured on the cost basis less any accumulated depreciation and impairment losses.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	13.5% –33.5%
Leasehold Improvement	10%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss.

c. **Leases**

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.

d. **Impairment of Assets**

At the end of each reporting period, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

e. **Employee Benefits**

Provision is made for the Company'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, plus related on-costs. Employee benefits payable later than one year have been measured at the net present value. Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

f. **Provisions**

Provisions are recognised when the Company 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

g. **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.

h. **Revenue and Other Income**

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

Grant revenue is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the life of the funding arrangement, when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly 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.

Ngala Community Services receives non-reciprocal contributions of assets from Government and other parties for zero or 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 the Statement of Profit or Loss and Other Comprehensive Income. Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the clients. Revenue from the sale of goods is recognised upon delivery of goods to clients.

**i. 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 ATO. Under these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item 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 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.

**j. Comparative Figures**

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result of changes in accounting policy.

**k. Economic Dependence**

Ngala is dependent on several Government Departments for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the Government Departments will not continue to support Ngala.

**l. Critical Accounting Estimates and Judgments**

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Actual results may be substantially different.

**Key estimates**

**(i) Impairment**

The Company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Company that may be indicative of impairment triggers.

**(ii) Useful lives of depreciable asset**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

(iii) *Long service leave*

The liability for long service leave is recognised and measured at the present value of the estimated 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.

n. **Adoption of new and revised standards**

**Changes in accounting policies on initial application of Accounting Standards**

In the year ended 30 June 2018, the directors have reviewed all of the new and revised Standards and interpretations issued by the AASB that are relevant to Ngala's operations and effective for the current annual reporting period.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on Ngala's business and, therefore, no change is necessary to accounting policies.

The Directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2018. .

The entity is yet to undertake a detailed assessment of the impact of AASB 16, *Leases*. However, based on the entity's preliminary assessment, the Standard is expected to have an impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

Ngala Community Services ABN 35 129 500 223

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

	2018	2017
	\$	\$
<b>NOTE 2: EXPENSES</b>		
Remuneration of auditor for audit or review:	45,500	40,000
Allowance for doubtful receivables	3,278	3,660
<b>NOTE 3: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	124	124
Cash at bank	541,611	715,667
Term deposits	813,313	551,435
	<u>1,355,048</u>	<u>1,267,226</u>
<b>NOTE 4: TRADE RECEIVABLES</b>		
Trade receivables	23,114	936,999
Less: allowance for doubtful accounts	(10,555)	(7,278)
	<u>12,559</u>	<u>929,721</u>
<b>NOTE 5: OTHER CURRENT ASSETS</b>		
Other debtors	186,978	15,309
Prepayments	250,103	204,476
	<u>437,081</u>	<u>219,785</u>
<b>NOTE 6: PROPERTY, PLANT AND EQUIPMENT</b>		
Property, Plant and equipment at cost	3,150,974	3,826,063
Less accumulated depreciation	(1,457,387)	(1,298,842)
<b>Total Property, plant and equipment</b>	<u>1,693,587</u>	<u>2,527,221</u>
Balance at the beginning of the year	2,527,221	1,717,728
Additions at Cost	298,090	30,514
Transferred to Ngala Family Sevices	(971,741)	-
Fair value of assets assumed from GRCEC	-	1,125,902
Depreciation expense	(159,983)	(346,923)
<b>Carrying amount at end of year</b>	<u>1,693,587</u>	<u>2,527,221</u>

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

NOTE 7: TRADE AND OTHER PAYABLES

	2018	2017
	\$	\$
Trade payables	180,134	161,076
Accrued and other expenses	25,500	19,111
GST	92,188	181,175
Employee benefits	1,343,117	1,243,664
	<u>1,640,939</u>	<u>1,605,026</u>

NOTE 8: FINANCE LEASES

Finance leases are for motor vehicles and have a maximum period of twelve months on an interest only basis at 6.4% per annum. Minimum future lease payments at 30 June 2018 include \$788 (2017: \$15,879) of future financing fees.

NOTE 9: GRANTS RECEIVED IN ADVANCE

Department of Education WA – Child & Parenting Centres	-	816,343
Department of Health WA – WACHS & CACHS	306,423	195,512
Department of Communities WA – Various programs	-	1,299
Swan Alliance – Communities for Children	-	(57,201)
Brotherhood of St Laurence – HIPPY Project	-	25,746
Parenting Research Centre – My Time	129,575	102,641
BHP - Pilbara Families Building Pilbara Community	58,258	85,392
Rio Tinto	-	31,512
Woodside – Platforms program	-	182,000
Other	93,545	178,865
	<u>587,801</u>	<u>1,562,109</u>



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

NOTE 10: CASH FLOW INFORMATION

	2018	2017
	\$	\$
<b>Reconciliation of cash flow from operations with surplus/(deficit)</b>		
Surplus/(deficit) for the year	(790,194)	1,440,026
Non-cash flows in surplus:		
– Depreciation	159,983	346,923
Allowance for doubtful accounts	3,278	3,660
– Gain arising on business combination with GRCEC	-	(1,640,724)
Changes in assets and liabilities net of assets acquired:		
– decrease/(increase) in receivables	1,885,625	(419,901)
– decrease/(increase) in other assets	343,395	(649,571)
– increase in payables	35,913	33,587
– (decrease)/increase in provisions	(1,202)	3,218
– (decrease) in Grants In Advance	(974,308)	(385,735)
Cash flows (used in) operating activities	<u>662,490</u>	<u>(1,268,517)</u>

NOTE 11: BUSINESS COMBINATION

On 16 August 2016, the Company acquired the assets and activities of Geraldton Regional Community Education Centre (Inc) ("GRCEC") by way of a Business Transfer Deed for consideration of \$1. The transaction is referred to as a merger of the entities but is required to be accounted for as a business combination under AASB 3 *Business Combinations*.

	2017
	\$
<b>Fair value of GRCEC assets and liabilities assumed</b>	
Cash and cash equivalents	2,064,484
Trade and other receivables	2,932
Property plant and equipment	1,125,902
Trade and other payables	(253,830)
Current provision for long service leave	(83,448)
Finance leases	(290,491)
Grants received in advance	(924,824)
<b>Total</b>	<u>1,640,725</u>
Cash consideration	(1)
<b>Gain on assumption of GRCEC</b>	<u>1,640,724</u>

NOTE 12: RESERVES

	2018
	\$
<b>Special Purpose Reserve</b>	
The special purpose reserve reflects retained earnings put aside for a special purpose.	
Danae Corser Award Funds	1,940
Harvey Fresh	5,000
Gazebo QBE claim	8,000
The Ragdoll Foundation	10,000
Extra Edge – playground	20,000
Russell J Hawkins Bequest	7,233
<b>Total Reserve</b>	<b><u>52,173</u></b>

NOTE 13: COMPANY DETAILS

The registered office of the company and principal place of business is:

Ngala Community Services  
9 George Street  
Kensington WA 6151

NOTE 14: COMMITMENTS AND CONTINGENCIES

The Company leases various properties associated with the delivery of its services. Minimum payments under the remaining terms of the various leases are \$193,347 within one year and \$96,015 between one and five years.

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 18 in accordance with the *Australian Charities and Not for Profits Commission Act 2012* and:
  - a. giving a true and fair view of its financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
  - b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Australian Charities and Not for Profits Commission Regulation 2013*.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Martin Black (Chairperson)

Dated this

30th

day of

August

2018

## Independent Auditor's Report

### To the Members of Ngala Community Services

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of Ngala Community Services (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and Directors' declaration.

In our opinion, the accompanying financial report of the Ngala Community Services:

- a presents fairly, in all material respects, the Company's financial position as at 30 June 2018 and of its performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1; and
- b complies with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013 to the extent described in Note 1.

##### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company 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.

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

##### Emphasis of matter – basis of accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Company's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



### **Information other than the financial report and auditor's report thereon**

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the financial report**

The Directors of the Company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial report are appropriate to meet the needs of the Members. This responsibility also includes such internal control as the Directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

A handwritten signature in cursive script that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in cursive script that reads "C A Becker".

C A Becker  
Partner – Audit & Assurance

Perth, 30 August 2018

