

Ngala Family Services

ABN 12 129 500 125

Annual Special Purpose Financial Report 30 June 2018

Ngala Family Services ABN 12 129 500 125

Corporate Information	3
Directors' Report	4
Auditor's Independence Declaration	6
Statement of Profit or loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	19
Independent Auditor's Report	20

Corporate Information

ABN 12 129 500 125

Directors

Martin Black

David Izzard

Veronica Kretzer

Jen Ehlers

Dr Lucy Hopkins

Kimberly Stokes

Shelley Archer

Andrew Annand

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

Auditors

Grant Thornton Audit Pty Ltd

Level 43, 152-158 St Georges Terrace

Perth WA 6000

DIRECTORS' REPORT

Ngala Family Services (the "Company") 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 BA, Dip Ed, MBA 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
	Peter Young – resigned 29 March 2018 LLB Lawyer
	Kiersten Gregg – resigned 28 June 2018 B.Economics, HR/IR Director – Blueprint HR Consulting
	Andrew Annand – appointed 30 November 2017 B. Business, FCA, GAICD Independent Financial Advisor
	Craig Heatley – resigned 3 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, 9 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 Company Secretary effective 30 November 2017.

Principal Activities

The principal activity of the Company during the financial year was to conduct and maintain a private hospital at 9 George St Kensington in the State of Western Australia.

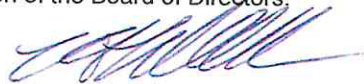
There was no significant change in the nature of these activities during the year.

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 forms part of the Director's Report.

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

Director



Martin Black (Chairperson)

Dated this

30th

day of

August

2018

Auditor's Independence Declaration

To the Directors of Ngala Family 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 Family 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 Family Services ABN 12 129 500 125

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

	2018	2017
	\$	\$
Revenue from government grants and other funding	1,855,997	2,250,255
Patient fees	1,398,338	1,556,886
Interest revenue	50,176	47,606
Fundraising and donations	133,353	88,389
Other income	78,099	140,608
Management charges to other Ngala entities	-	193,846
Property charges to other Ngala entities	94,827	321,798
Total income	3,610,790	4,599,388
Employee benefits expense	2,593,975	2,961,133
Travel expenses	8,258	56,766
Program supplies/consumables	86,767	329,951
Property, rent and utilities expense	223,000	198,473
Property charges from Ngala Community Services	-	22,542
General administrative expense	142,127	149,068
Information systems expense	3,272	11,131
Other expenses	4,545	4,784
Management charges from Ngala Community Services	-	662,669
Loss on forgiveness of loan to Ngala Children's Services	-	200,000
Depreciation and amortisation	160,621	116,022
Total expenses	3,222,565	4,712,539
Surplus/(deficit) for the year	388,225	(113,151)
Other comprehensive income:		
Movement in revaluation reserve	-	-
Total comprehensive surplus/(deficit) for the year	388,225	(113,151)

The accompanying notes form part of these financial statements.

Ngala Family Services ABN 12 129 500 125

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018	2017	As at 1 July
		\$	Restated*	2016
			\$	Restated*
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	4	1,964,148	2,182,742	1,526,121
Trade and other receivables	5	141,658	204,372	382,055
Other current assets	6	75,306	70,073	53,976
TOTAL CURRENT ASSETS		2,181,112	2,457,187	1,962,152
NON-CURRENT ASSETS				
Property, plant and equipment	7	8,870,861	7,987,100	8,088,004
TOTAL NON-CURRENT ASSETS		8,870,861	7,987,100	8,088,004
TOTAL ASSETS		11,051,973	10,444,287	10,050,156
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	8	203,064	335,160	245,452
Amount due to Ngala Community Services		632,934	443,409	14,411
Amount due to Ngala Children's Services		153,268	-	-
Provision for long service leave		27,993	42,080	53,504
TOTAL CURRENT LIABILITIES		1,017,259	820,649	313,367
NON-CURRENT LIABILITIES				
Provision for long service leave		22,851	-	-
TOTAL NON-CURRENT LIABILITIES		22,851	-	-
TOTAL LIABILITIES		1,040,110	820,649	313,367
NET ASSETS		10,011,863	9,623,638	9,736,789
EQUITY				
Reserves	10	9,537,539	9,537,539	9,537,539
Retained earnings		474,324	86,099	199,250
TOTAL EQUITY		10,011,863	9,623,638	9,736,789

*Certain amounts do not correspond to the 2017 financial statements and reflect adjustments made as described in note 2

The accompanying notes form part of these financial statements.

Ngala Family Services ABN 12 129 500 125

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

	Note	Retained earnings	Reserves	Total
		\$	\$	\$
Balance at 30 June 2016		199,250	10,769,539	10,968,789
Adjustment on correction of error	2	-	(1,232,000)	(1,232,000)
Balance at 30 June 2016 (restated)		199,250	9,537,539	9,736,789
Comprehensive income:				
(Deficit) for the year		(113,151)	-	(113,151)
Total comprehensive loss for the year		(113,151)	-	(113,151)
Balance at 30 June 2017		86,099	9,537,539	9,623,638
Comprehensive income:				
Surplus for the year		388,225	-	388,225
Total comprehensive income for the year		388,225	-	388,225
Balance at 30 June 2018		474,324	9,537,539	10,011,863

The accompanying notes form part of these financial statements.

Ngala Family Services ABN 12 129 500 125

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,616,778	4,502,330
Payments to suppliers and employees		(3,885,548)	(3,878,197)
Interest received		50,176	47,606
Net cash from operating activities	9	(218,594)	671,739
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(15,118)
Net cash used in investing activities		-	(15,118)
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash used in financing activities		-	-
Net (decrease) / increase in cash held		(218,594)	656,621
Cash at beginning of financial year		2,182,742	1,526,121
Cash at end of financial year	4	1,964,148	2,182,742

The accompanying notes form part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ngala Family 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 financial report has been prepared on the going concern basis.

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. Property, plant and equipment

Plant and equipment

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

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Land and Buildings

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

(i) Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and any subsequent accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss.

Additionally, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Independent valuations are performed with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the balance date.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Upon disposal, any revaluation reserve remaining in equity relating to the particular asset being sold is transferred to retained earnings.

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
Buildings	2.5%
Plant and Equipment	13.5% –33.5%

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

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 maturities of three months or less at balance date and bank overdrafts.

h. **Reserves**

Other components of equity include the following:

- Revaluation reserve – comprises gains and losses from the revaluation of land and buildings
- Special purpose reserve – comprises of grant revenue which has been received and has not been allocated to a specific project. When the funds are allocated to a project, the funds are transferred back into retained earnings.

i. **Revenue and Other Income**

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

If conditions are attached to the grant which must be satisfied before the Company 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 entity 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 Family 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

j. **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. In 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.

k. **Economic Dependence**

Ngala Family Services is dependent on several Government Departments for the majority of its revenue used to operate the business. At the date of this report, the Directors have no reason to believe that funding from Government Departments will not be provided in future sufficient to ensure the continued operation of the Company.

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*

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.

m. **Adoption of new and revised 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Company 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 Family Services ABN 12 129 500 125

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

NOTE 2: CORRECTION OF ERROR

The Company's land and buildings were revalued at 30 June 2016. During the current year, the Company identified that the accounting for the revaluation did not reflect the full carrying value of the buildings across the three Ngala entities and as a result the revaluation of buildings was overstated by \$1,232,000. The error has been corrected by restating the affected financial statement line items as follows:

	Note	As reported \$	Adjustment \$	Restated \$
1 July 2016				
Property, plant & equipment	7	9,320,004	(1,232,000)	8,088,004
Reserves	10	10,769,539	(1,232,000)	9,537,539
30 June 2017				
Property, plant & equipment	7	9,219,100	(1,232,000)	7,987,100
Reserves	10	10,769,539	(1,232,000)	9,537,539
			2018	2017
			\$	\$

NOTE 3: EXPENSES

Remuneration of auditor for audit or review is paid by Ngala Community Services:

Provision for doubtful debts	1,133	-
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NOTE 4: CASH AND CASH EQUIVALENTS

Petty cash	45	45
Cash at bank	546,449	794,935
Term deposits	1,417,654	1,387,762
	<u>1,964,148</u>	<u>2,182,742</u>

NOTE 5: TRADE AND OTHER CURRENT RECEIVABLES

Trade and other receivables	147,043	209,213
Less: provision for doubtful debt	(11,273)	(7,631)
	<u>135,770</u>	<u>201,582</u>
GST receivable	5,888	2,790
	<u>141,658</u>	<u>204,372</u>

NOTE 6: OTHER CURRENT ASSETS

Accrued income	62,046	58,285
Other debtors	4,754	-
Prepayments	8,506	11,788
	<u>75,306</u>	<u>70,073</u>

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Freehold land at directors' valuation	5,498,000	5,498,000
Building at directors' valuation	2,515,500	2,515,500
Buildings at cost	1,024,060	-
Less accumulated depreciation	(186,862)	(93,174)
Total land and buildings	8,850,698	7,920,326
Equipment and furniture at cost	187,588	165,828
Less accumulated depreciation	(167,425)	(99,054)
Total equipment and furniture	20,163	66,774
Total property, plant and equipment	8,870,861	7,987,100

	Land and Buildings \$	Equipment & Furniture \$	Total \$
2017			
As at 1 July 2016	9,245,500	74,504	9,320,004
Adjustment on correction of error (refer Note 2)	(1,232,000)	-	(1,232,000)
Balance at the beginning of the year	8,013,500	74,504	8,088,004
Additions at cost	-	15,118	15,118
Depreciation expense	(93,174)	(22,848)	(116,022)
Carrying amount at end of year	7,920,326	66,774	7,987,100
2018			
Balance at the beginning of the year (refer Note 2)	7,920,326	66,774	7,987,100
Additions at cost	0	21,760	21,760
Transfers from other Ngala entities	1,024,060	-	1,024,060
Depreciation expense	(93,688)	(68,371)	(162,059)
Carrying amount at end of year	8,850,698	20,163	8,870,861

During 2016, the Company engaged Major Valuations Pty Ltd, an accredited independent valuer to determine the fair value of its land and buildings at 30 June 2016 which was adopted as a Directors' valuation as at that date. No revaluation was undertaken at 30 June 2018 but Directors are satisfied that the carrying value of Land & Buildings does not exceed fair value.

NOTE 8: TRADE AND OTHER PAYABLES

Trade payables and accruals	-	67,900
Employee benefits including on-costs	175,702	141,310
Grants in advance	27,362	125,950
	203,064	335,160

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

NOTE 9: CASH FLOW INFORMATION

	2018	2017
	\$	\$
Reconciliation of cash flow from operating activities with surplus/(deficit) for the year		
(Deficit)/surplus for the year	388,225	(113,151)
Add back non-cash items		
– Depreciation	160,621	116,022
– Loss on forgiveness of loan to Ngala Children’s Services	-	200,000
– Provision for doubtful debts	1,133	-
Net changes in assets and liabilities:		
– (increase)/decrease in receivables	64,679	(22,317)
– (increase)/decrease in other assets	(5,234)	(16,097)
– (decrease)/increase in payables	(836,782)	518,706
– (decrease)/increase in provisions	8,764	(11,424)
Cash from operating activities	(218,594)	671,739

NOTE 10: RESERVES

Revaluation Reserve

Balance at the beginning of the year (refer Note 2)	9,514,582	9,514,582
Revaluation	-	-
Closing balance	<u>9,514,582</u>	<u>9,514,582</u>

Special Purpose Reserve

Balance at the beginning and end of the year	<u>22,957</u>	<u>22,957</u>
Total reserves	<u>9,537,539</u>	<u>9,537,539</u>

NOTE 11: COMPANY DETAILS

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

Ngala Family Services
9 George St
Kensington WA 6151

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* including:
 - 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 Family Services

Report on the audit of the financial report

Opinion

We have audited the financial report of Ngala Family 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 Family 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. This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner – Audit & Assurance

Perth, 30 August 2018

