

ANANGU PITJANTJATJARA YANKUNYTJATJARA

ABN 77 261 612 162

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

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Anangu Pitjantjatjara Yankunytjatjara

ABN 77 261 612 162

EXECUTIVE BOARD MEMBERS REPORT

Your Executive Board Members present this report on the Entity for the financial year ended 30 June 2017.

Board Members

The names of each person who has been an Executive Board Member during the year and to the date of this report are:

Chairperson:	Frank Young (elected 13 April 2017)
Deputy Chairman:	Sally Scales (elected 13 April 2017)
Director:	Rex Tjami
Board Members:	Murray George
	Owen Burton (resigned 13 April 2017)
	Gary Lewis (resigned 13 April 2017)
	Ken Pumani (resigned 13 April 2017)
	Willy Pompey (resigned 13 April 2017)
	Anton Baker
	Ronnie Brumby (resigned 13 April 2017)
	Charlie Anytjipalya (resigned 13 April 2017)
	Trevor Adamson (resigned 13 April 2017)
	Bernard Singer
	Nyunmuti Burton (elected 13 April 2017)
	Marita Baker (elected 13 April 2017)
	Nyukana Norris (elected 13 April 2017)
	Richard Kanari (elected 13 April 2017)
	Donald Fraser (elected 13 April 2017)
	Willy Martin (elected 13 April 2017)

Board Members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

Anangu Pitjantjatjara Yankunytjatjara principal activities is to oversee the activities of the various constituent groups serving the needs of the people on the Lands. It also helps shape policies regarding economic and social development.

Results

The net result of operations attributable to the Entity's activities was a total loss of \$454,930 after recognition of prior year's infrastructure repairs and maintenance of \$784,394 (2016 total loss of \$78,894).

Taxation

No taxation has been paid since incorporation nor is there likely to be any tax payable in respect of the 2017 financial year. The Members do not expect the status of the body to change in this regard and accordingly no provision for income tax has been made.

The Members have accepted the view of the Entity's Accountants, that the Entity is a non-profit Entity, so accordingly no provision for income tax needs to be made, as the income derived by the Entity is expressly exempt from income tax.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Entity, the results of those operations, or the state of affairs of the Entity in future years.

Anangu Pitjantjatjara Yankunytjatjara
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EXECUTIVE BOARD MEMBERS REPORT (CONT)

Members' Benefits

In the opinion of the Executive Board Members of Anangu Pitjantjatjara Yankunytjatjara:

- a) During the year ended 30 June 2017 no:
- i) officer of the Entity;
 - ii) firm of which the officer is a member; or
 - iii) body corporate in which the officer has a substantial financial interest,

Has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Entity; and

- b) During the year ended 30 June 2017 no officer of the Entity received directly or indirectly from the Entity any payment or other benefit of a pecuniary value, with the exception of those benefits disclosed at Note 16.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Executive Board Members:

Chairman



Deputy Chairman



Dated this 20th day of December 2017

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER THE ANANGU PITJANTJATJARA YANKUNYTJATJARA LAND RIGHTS ACT OF SOUTH AUSTRALIA AND
SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE MEMBERS OF ANANGU PITJANTJATJARA**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of:

- a) the auditor independence requirements as set out in the *Anangu Pitjantjatjara Yankunytjatjara Land Rights Act of South Australia* or the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Nexia Edwards Marshall NT
Chartered Accountants



Noel Clifford
Partner

Darwin
Northern Territory

30 November 2017

Anangu Pitjantjatjara Yankunytjatjara

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

	Note	2017 \$	2016 \$
Revenue	2	7,568,393	6,496,889
Employee benefits expense		(3,370,651)	(3,016,957)
Depreciation and amortisation expense	3	(220,155)	(222,192)
Repairs and maintenance		(201,126)	(117,158)
Bad debts	3	(117)	(16,406)
Motor vehicle expenses		(479,476)	(396,963)
Consulting and professional fees		(196,860)	(447,226)
Lease rentals on operating leases		(319,355)	(344,805)
Administration and management fees		(664,028)	(550,754)
Travel		(143,877)	(136,685)
Permits, licenses and fees		(237,792)	(96,090)
Other expenses		(1,405,492)	(1,230,547)
Operating Profit/ (Loss) for the year		329,464	(78,894)
Prior Year's Infrastructure Repairs & Maintenance	3	(784,394)	-
Total Loss for the year		(454,930)	(78,894)
Other Comprehensive Income:			
Other comprehensive income		-	-
Total Comprehensive income / (loss) for the year		(454,930)	(78,894)
Total Profit / (loss) attributable to members of the entity		(454,930)	(78,894)
Total Comprehensive Income/ (Loss) attributable to members of the entity		(454,930)	(78,894)

Anangu Pitjantjatjara Yankunytjatjara

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,841,243	1,675,168
Trade and other receivables	5	459,804	1,680,943
TOTAL CURRENT ASSETS		3,301,047	3,356,111
NON-CURRENT ASSETS			
Property, plant and equipment	6	924,129	724,438
TOTAL NON-CURRENT ASSETS		924,129	724,438
TOTAL ASSETS		4,225,176	4,080,549
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	1,826,190	1,654,994
Provisions	8	214,387	169,240
Other liabilities	9	669,184	301,166
TOTAL CURRENT LIABILITIES		2,709,761	2,125,400
NON-CURRENT LIABILITIES			
Provisions	8	15,196	-
TOTAL NON-CURRENT LIABILITIES		15,196	-
TOTAL LIABILITIES		2,724,957	2,125,400
NET ASSETS		1,500,219	1,955,149
EQUITY			
Retained earnings		1,500,219	1,955,149
TOTAL EQUITY		1,500,219	1,955,149

Anangu Pitjantjatjara Yankunytjatjara

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STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2017

	Note	Retained Earnings \$
Balance at 1 July 2015		<u>2,034,043</u>
Comprehensive income		
Loss for the year		(78,894)
Other comprehensive income for the year:		
- gains on revaluation of land and buildings		-
Total other comprehensive income (loss)		<u>(78,894)</u>
Total comprehensive income attributable to members of the entity for the year		<u>(78,894)</u>
Balance at 30 June 2016		<u>1,955,149</u>
Balance at 1 July 2016		<u>1,955,149</u>
Comprehensive income		
Loss for the year		(454,930)
Other comprehensive income for the year:		
- gains on revaluation of land and buildings		-
Total other comprehensive income (loss)		<u>(454,930)</u>
Total comprehensive income (loss) attributable to members of the entity for the year		<u>(454,930)</u>
Balance at 30 June 2017		<u><u>1,500,219</u></u>

Anangu Pitjantjatjara Yankunytjatjara

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers, governments and other persons		8,474,113	6,585,392
Interest received		4,744	23,470
Payments to suppliers and employees		(6,914,970)	(7,094,245)
Net cash generated from/(used in) operating activities	10	1,563,887	(485,383)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	8,180
Payment for property, plant and equipment		(419,846)	(193,539)
Net cash used in investing activities		(419,846)	(185,359)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan repayments received (net)		22,034	-
Loan advances paid (net)		-	(49,483)
Net cash generated by/(used in) financing activities		22,034	(49,483)
Net increase/(decrease) in cash held		1,166,075	(720,225)
Cash and cash equivalents at beginning of financial year		1,675,168	2,395,393
Cash and cash equivalents at end of financial year	4	2,841,243	1,675,168

The accompanying notes form part of these financial statements.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Anangu Pitjantjatjara Yankunytjatjara applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the day of November, 2017 by the directors of the Entity.

Accounting Policies

a. Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and 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.

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 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 state of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Anangu Pitjantjatjara Yankunytjatjara receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

b. **Inventories**

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

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

c. **Property, Plant and Equipment**

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

Freehold property

Freehold land and buildings are shown at their fair value based on periodic, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

c. **Property, Plant & Equipment (Cont)**

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

Class of Fixed Asset	Depreciation Rate
Buildings	5-10%
Plant and Equipment	10-20%
Communications Equipment	15-20%
Domestic Furniture	8%
Motor Vehicles	20%
Office Equipment	10-33%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. **Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases. Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e. **Financial Instruments****Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Entity commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value (refer to Note 1(q)), amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*. The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

e. **Financial Instruments (Cont)**

or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

e. **Financial Instruments (Cont)**

Impairment

At the end of each reporting period, the Entity assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Entity recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f. **Impairment of Assets**

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

g. **Employee Benefits**

Short-term employee benefits

Provision is made for the Entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Entity's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The Entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The Entity's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the Entity receive defined contribution superannuation entitlements, for which the Entity pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Entity's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Entity's statement of financial position.

h. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

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 Australian Taxation Office (ATO).

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. **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*.

k. **Intangibles**

Software

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

l. **Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. **Comparative Figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

n. **Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the Entity during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

o. **Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements 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 Entity.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

o. **Critical Accounting Estimates and Judgements (Cont)**

Key estimates

Impairment

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

p. **Economic Dependence**

Anangu Pitjantjatjara Yankunytjatjara is dependent on the Federal and State Government for the majority of its revenue used to operate the business. At the date of this report, the Executive Board Members have no reason to believe the Department will not continue to support Anangu Pitjantjatjara Yankunytjatjara.

q. **Fair Value of Assets and Liabilities**

The Entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

"Fair value" is the price the Entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

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

NOTE 2: REVENUE AND OTHER INCOME

	2017	2016
	\$	\$
Revenue		
Revenue from (non-reciprocal) government grants and other grants:		
– state/federal government grants	6,538,981	5,154,037
	<u>6,538,981</u>	<u>5,154,037</u>
Other revenue:		
– agistment sales	500,462	402,936
– cattle sales	164,059	3,561
– service income	90,404	86,883
– interest received	4,744	23,471
	<u>759,669</u>	<u>516,851</u>
Total revenue	<u>7,298,650</u>	<u>5,670,888</u>
Other income		
– anthropology income	53,154	230,827
– charitable donations	-	8,245
– rental income	37,535	38,099
– other	179,054	548,830
	<u>269,743</u>	<u>826,001</u>
Total other income	<u>269,743</u>	<u>826,001</u>
Total revenue and other income	<u>7,568,393</u>	<u>6,496,889</u>

NOTE 3: PROFIT FOR THE YEAR

	2017	2016
	\$	\$
(a) Expenses		
Employee benefits expense:		
– contributions to defined contribution superannuation funds	277,169	254,104
	<u>277,169</u>	<u>254,104</u>
Depreciation and amortisation:		
– land and buildings	64,756	77,211
– motor vehicles	52,608	48,208
– furniture and equipment	750	736
– plant and equipment	70,714	54,083
– communication equipment	14,177	26,421
– office equipment	17,150	15,533
	<u>220,155</u>	<u>222,192</u>
Total depreciation and amortisation	<u>220,155</u>	<u>222,192</u>
Finance Costs		
– Interest expense	12,763	-
	<u>12,763</u>	<u>-</u>
Bad and doubtful debts:		
– trade and other receivables	117	16,406
	<u>117</u>	<u>16,406</u>

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

NOTE 3: PROFIT FOR THE YEAR (CONT)

(b) Significant Revenue and Expenses

Mining exploration fees and royalties (net)	(228,288)	284,218
Prior year's infrastructure repairs and maintenance	(784,394)	-
Net Significant Revenue (Expenses)	(1,012,682)	284,218

The prior year's infrastructure liability has been in existence since December 2011 and has been overlooked by previous management. For the past 2 years the liability has been reflected in the financial reports as a contingent liability. For 2016-17 a decision was made to record the estimated liability in the statement of financial position.

NOTE 4: CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
CURRENT		
Cash at bank	2,841,243	1,675,168
16	2,841,243	1,675,168

NOTE 5: TRADE AND OTHER RECEIVABLES

	Note	2017	2016
		\$	\$
CURRENT			
Trade receivables		451,889	1,635,747
Provision for impairment	5a	(23,542)	(23,542)
		428,347	1,612,205
Other receivables		-	15,247
Loan receivables		31,457	53,491
Total current trade and other receivables	16	459,804	1,680,943

a. **Provision for Impairment of Receivables**

Movement in the provision for impairment of receivables is as follows:

	\$
Provision for impairment as at 1 July 2015	(9,100)
- Charge for the year	(14,442)
- Written off	-
Provision for impairment as at 30 June 2016	(23,542)
- Charge for the year	-
- Written off	-
Provision for impairment as at 30 June 2017	(23,542)

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

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	\$	\$
Land and Buildings		
Buildings:		
At cost	4,172,891	4,155,445
Less accumulated depreciation	(3,898,778)	(3,834,023)
	274,113	321,422
Total Land and Buildings	274,113	321,422
Plant and Equipment		
Furniture and fittings:		
At cost	87,736	87,736
Less accumulated depreciation	(85,964)	(85,214)
	1,772	2,522
Office equipment:		
at cost	349,237	318,642
Less accumulated depreciation	(290,139)	(272,990)
	59,098	45,652
Motor vehicles:		
At cost	907,923	840,833
Less accumulated depreciation	(778,351)	(725,744)
	129,572	115,089
Plant and equipment:		
At cost	1,056,093	762,670
Less accumulated depreciation	(612,409)	(541,692)
	443,684	220,978
Communications:		
At cost	200,967	189,675
Less accumulated depreciation	(185,077)	(170,900)
	15,890	18,775
Total plant and equipment		
Total property, plant and equipment	924,129	724,438

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

NOTE 6: PROPERTY, PLANT AND EQUIPMENT (CONT)

Movements in carrying amounts

Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings	Motor Vehicles	Furniture and Equipment	Plant and Equipment	Communication Equipment	Office Equipment	Total
	\$	\$	\$	\$	\$	\$	\$
2017							
Balance at the beginning of the year	321,422	115,089	2,522	220,978	18,775	45,652	724,438
Additions at cost	17,447	67,091	-	293,420	11,292	30,596	419,846
Disposals	-	-	-	-	-	-	-
Depreciation expense	(64,756)	(52,608)	(750)	(70,714)	(14,177)	(17,150)	(220,155)
Carrying amount at the end of the year	274,113	129,572	1,772	443,684	15,890	59,098	924,129

NOTE 7: TRADE AND OTHER PAYABLES

	Note	2017 \$	2016 \$
CURRENT			
Trade payables		308,646	284,870
Unexpended grants		552,538	841,062
Other current payables		251,154	383,625
Other payables (net amount of GST payable)		11,776	145,437
Infrastructure liabilities		702,076	-
	7a	1,826,190	1,654,994
a. Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables:			
– total current		1,826,190	1,654,994
– total non-current		-	-
		1,826,190	1,654,994
Less: deferred income		(552,538)	(841,062)
Financial liabilities as trade and other payables	16	1,273,652	813,932

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

NOTE 8: PROVISIONS

	2017	2016
	\$	\$
CURRENT		
Provision for employee benefits: annual leave	188,464	123,053
Provision for employee benefits: long service leave	25,923	46,187
	<u>214,387</u>	<u>169,240</u>
NON-CURRENT		
Provision for employee benefits: long service leave	15,196	-
Total Provisions	<u>229,583</u>	<u>169,240</u>

	Employee Benefits
	\$
Analysis of total provisions	
Opening balance at 1 July 2016	169,240
Additional provisions raised during year	212,601
Amounts used	(152,258)
Balance at 30 June 2017	<u>229,583</u>

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

Anangu Pitjantjatjara Yankunytjatjara

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

NOTE 9: OTHER LIABILITIES

	2017	2016
	\$	\$
Mining Bond Deposits	115,008	204,498
Pastoral Land Owner Agistments	174,833	96,668
PDL Infrastructure	383,580	-
Other Liabilities	(4,237)	-
	<u>669,184</u>	<u>301,166</u>

NOTE 10: CASH FLOW RECONCILIATION

	2017	2016
	\$	\$
Reconciliation of Cash Flow from Operating Activities with Current Year Loss		
Total Loss after income tax	(454,930)	(78,894)
Non-cash flows:		
Depreciation and amortisation expense	220,155	222,192
Loss on disposal of plant and equipment	-	13,534
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	1,199,105	(9,276)
Increase/(decrease) in accounts payable and other payables	171,196	102,648
Increase/(decrease) in employee provisions	60,343	(101,522)
(Increase)/decrease in other liabilities	368,018	(634,065)
Cash flow used in operating activities	<u>1,563,887</u>	<u>(485,383)</u>

Anangu Pitjantjatjara Yankunytjatjara
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 11: CAPITAL AND LEASING COMMITMENTS

	2017	2016
	\$	\$
a. Finance Lease Commitments		
Payable – minimum lease payments:	-	-
	<hr/>	<hr/>
b. Operating Lease Commitments		
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable – minimum lease payments:		
– not later than 12 months	276,750	260,873
– later than 12 months but not later than five years	187,772	227,152
– later than five years	-	-
	<hr/>	<hr/>
	464,522	488,025
	<hr/>	<hr/>
c. Capital Commitments		
The entity had \$Nil capital commitments as at 30 June 2017 (2016:\$Nil).		

NOTE 12: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2017	2016
	\$	\$
Estimates of the potential financial effect of contingent liabilities that may become payable subject to legal proceedings:	-	784,394
	<hr/>	<hr/>

There are also other ongoing matters in relation to alleged infrastructure debt arising from capital agistments on the APY lands.

NOTE 13: EVENTS AFTER THE REPORTING PERIOD

The Executive Board Members are not aware of any significant events since the end of the reporting period.

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

NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the Entity during the year are as follows:

	2017	2016
	\$	\$
KMP compensation	\$422,979	584,091

NOTE 15: OTHER RELATED PARTY TRANSACTIONS

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

	2017	2016
	\$	\$
Loans Receivable from Executive Members	27,115	42,995

NOTE 16: FINANCIAL RISK MANAGEMENT

The Entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2017	2016
		\$	\$
Financial assets			
Cash and cash equivalents	4	2,841,243	1,675,168
Loans and receivables	5	459,804	1,680,943
Total financial assets		<u>3,301,047</u>	<u>3,356,111</u>
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	7a	1,273,652	813,932
Total financial liabilities		<u>1,273,652</u>	<u>813,932</u>

Anangu Pitjantjatjara Yankunytjatjara

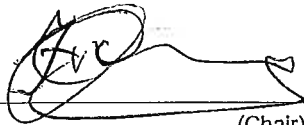
ABN 77 261 612 162

EXECUTIVE BOARD MEMBERS' DECLARATION

In accordance with a resolution of the Executive Board Members of Anangu Pitjantjatjara Yankunytjatjara, the Members of the entity declare that:

1. The financial statements and notes, as set out on pages 6 to 25, are in accordance with the *Anangu Pitjantjatjara Yankunytjatjara Land Rights Act of South Australia*, the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position of the Entity as at 30 June 2017 and of its performance and its cash flows for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with sub division 60.15(2) of the *Australian Charities and Not-for-Profits Commission Regulation 2013*.



(Chair)

Dated this ^{28th} day of November 2017

ANANGU PITJANTJATJARA YANKUNYTJATJARA**INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE BOARD MEMBERS OF ANANGU PITJANTJATJARA YANKUNYTJATJARA****Opinion**

We have audited the accompanying financial report of Anangu Pitjantjatjara Yankunytjatjara, which comprises the statement of financial position as at 30 June 2017, the statement of income and expenditure, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and the declaration by the Executive Board Members.

In our opinion, the accompanying financial report of Anangu Pitjantjatjara Yankunytjatjara, is prepared in accordance with the requirements of the *Anangu Pitjantjatjara Yankunytjatjara Land Rights Act of South Australia 1981*, and Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (i) Giving a true and fair view of Anangu Pitjantjatjara Yankunytjatjara's financial position as at 30 June 2017 and of its performance and cash flows for the year ended on that date;
- (ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-Profits Commission Regulation 2013.

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 entity, 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

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purposes of fulfilling the board's financial reporting responsibilities under the *Anangu Pitjantjatjara Yankunytjatjara Land Rights Act of South Australia 1981* and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for any other purpose.

ANANGU PITJANTJATJARA YANKUNYTJATJARA**INDEPENDENT AUDITOR'S REPORT****TO THE EXECUTIVE BOARD MEMBERS OF ANANGU PITJANTJATJARA YANKUNYTJATJARA (CONT)*****Auditor's Responsibility***

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

An audit involves performing the procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Board Members, as well as evaluating the overall presentation of the financial report.

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

Auditor's responsibility 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.

ANANGU PITJANTJATJARA YANKUNYTJATJARA**INDEPENDENT AUDITOR'S REPORT****TO THE EXECUTIVE BOARD MEMBERS OF ANANGU PITJANTJATJARA YANKUNYTJATJARA (CONT)*****Auditor's responsibility for the audit of the financial report (Cont)***

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used, the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists, related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Nexia Edwards Marshall NT
Chartered Accountants



Noel Clifford
Partner

Darwin
Northern Territory

30 November 2017