

**GWALWA DARANIKI ASSOCIATION
INCORPORATED**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2013**

Gwalwa Daraniki Association Incorporated
Financial report
30 June 2013

Contents

	Page
Financial report	
Statement of profit or loss and other comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Notes to the financial statements	6
Compilation report	14
Statement of income and expenditure – Gwalwa Daraniki Association Incorporated	15
Statement of income and expenditure – Juninga Aged Care Facility	16
Statement by committee	17
Independent auditor's report to the members of Gwalwa Daraniki Association Incorporated	18

General information

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

The financial report consists of the financial statements, notes to the financial statements and the committee members' declaration.

The financial report was authorised for issue by the committee on 28 May 2014.

Gwalwa Daraniki Association Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2013

	Note	2013 \$	2012 \$
Revenue	3	8,350,385	2,973,885
Expenses			
Employee expense		2,034,647	1,927,577
Depreciation and amortisation expense		406,222	394,282
Office expenses		242,281	182,165
Other expenses		929,640	1,223,592
Surplus/ (Deficit) for the year		4,737,595	(753,731)
Revaluation of property, plant and equipment	11	5,034,697	-
Other comprehensive income for the year, net of tax		5,034,697	-
Total comprehensive income/ (loss) for the year		9,772,292	(753,731)

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

Gwalwa Daraniki Association Incorporated
Statement of financial position
As at 30 June 2013

	Note	2013 \$	2012 \$
Assets			
Current assets			
Cash and cash equivalents	4	37,346	28,090
Trade and other receivables	5	69,188	23,254
Prepayments	6	23,185	21,348
Total current assets		<u>129,720</u>	<u>72,692</u>
Non-current assets			
Property, plant and equipment	7	14,538,576	4,572,963
Total non-current assets		<u>14,538,576</u>	<u>4,572,963</u>
Total assets		<u>14,668,296</u>	<u>4,645,655</u>
Liabilities			
Current liabilities			
Trade and other payables	8	1,563,203	1,317,160
Income received in advance		61,866	69,318
Employee benefits	9	184,939	178,533
Total current liabilities		<u>1,565,011</u>	<u>1,565,011</u>
Non-current liabilities			
Employee benefits	9	19,110	13,758
Total non-current liabilities		<u>19,110</u>	<u>13,758</u>
Total liabilities		<u>1,829,118</u>	<u>1,578,770</u>
Net assets		<u>12,839,178</u>	<u>3,066,886</u>
Equity			
Retained surplus (accumulated losses)	10	3,552,522	(1,185,073)
Asset revaluation reserve	11	9,286,656	4,251,959
Total equity		<u>12,839,178</u>	<u>3,066,886</u>

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

Gwalwa Daraniki Association Incorporated
Statement of changes in equity
For the year ended 30 June 2013

	Asset revaluation reserve \$	Retained surpluses (deficit) \$	Total equity \$
Balance at 1 July 2011	4,251,959	(431,343)	3,820,616
Deficit for the year	-	(753,731)	(753,731)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(753,731)	(753,731)
Balance at 30 June 2012	<u>4,251,959</u>	<u>(1,185,073)</u>	<u>3,066,886</u>
	Asset revaluation reserve \$	Retained surpluses (deficit) \$	Total equity \$
Balance at 1 July 2012	4,251,959	(1,185,073)	3,066,886
Surplus for the year	-	4,737,595	4,737,595
Other comprehensive income for the year, net of tax	5,034,697	-	5,034,697
Total comprehensive income for the year	5,034,697	4,737,595	9,772,292
Balance at 30 June 2013	<u>9,286,656</u>	<u>3,552,522</u>	<u>12,839,178</u>

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

Gwalwa Daraniki Association Incorporated
Notes to the financial statements
30 June 2013

Note 1. Significant accounting policies

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

New, revised or amending Accounting Standards and Interpretations adopted

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

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

Basis of preparation

In the opinion of the committee, the Association is not a reporting entity because there are no users dependent on general purpose financial statements.

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

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of:

AASB 110 Events Occurring After Reporting Date
AASB 1031 Materiality

Historical cost convention

The financial statements have been prepared on an accruals basis and are based on historical cost conventions and do not take into account changing money values, or, except where stated, current valuations of non-current assets.

Unless otherwise stated the accounting policies adopted by Association are consistent with those adopted in the previous financial year.

Critical accounting estimates

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

Juninga Aged Care Centre

The Juninga Aged Care Centre is managed and operated by the Uniting Church in Australia – Frontier Services on behalf of Gwalwa Daraniki Association Incorporated. The income, expenditure, net assets and retained earnings in relation to the Centre are held and controlled by the Uniting Church in Australia - Frontier Services.

Going concern

Notwithstanding the deficiency of net assets, the financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The ongoing viability of the Association is dependent on the ability of Juninga Aged Care Centre to generate profits from future operations and continued availability of financial support from related parties and the receipt of grants from the Northern Territory Government.

Revenue recognition

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

Gwalwa Daraniki Association Incorporated
Notes to the financial statements
30 June 2013

Note 1. Significant accounting policies (continued)

Donations

Donations are recognised at the time the pledge is made.

Grants

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

Interest

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

Other revenue

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

Income tax

As the Association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and cash at bank.

Trade and other receivables

Trade receivables are initially recognised at fair value, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

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

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Except for buildings which are reported at committee valuation, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and any subsequent impairment loss.

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

Asset class	Useful life	Depreciation rate
Buildings	20 years	5
Plant and equipment	6.66 years	15
Motor vehicles	6.66 years	15
Office equipment	2.5 to 7.5 years	13 to 40

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

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

Note 1. Significant accounting policies (continued)

Impairment of non-financial assets

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

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

Trade and other payables

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

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Goods and Services Tax ('GST')

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the association for the annual reporting period ended 30 June 2010. The association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets

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

Impairment of non-financial assets

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

Long service leave provision

As discussed in note 1, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	2013	2012
	\$	\$
Grant	1,981,171	1,981,376
Rental income and service charges	611,164	549,859
Fee income	471,923	441,548
Interest	492	1,102
Capital revenue	5,285,635	-
Revenue	<u>8,350,385</u>	<u>2,973,885</u>

Capital revenue relates to the first time recognition of property belonging to the Association but had not been previously recorded in the books. The valuation for these properties was conducted by Mr. E. Chin on 18 July 2013.

Note 4. Current assets - cash and cash equivalents

	2013	2012
	\$	\$
<i>Gwalwa Daraniki Association Incorporated</i>		
TMPU Account	-	-
House Account	-	-
IHANT Account	66	-
Housing Account	31,520	20,129
<i>Juninga Aged Care Facility</i>		
Cash at bank	<u>5,760</u>	<u>7,961</u>
	<u>37,346</u>	<u>28,090</u>

Note 5. Current assets - trade and other receivables

	2013	2012
	\$	\$
<i>Gwalwa Daraniki Association Incorporated</i>		
Trade receivables	<u>60,333</u>	<u>8,020</u>
<i>Juninga Aged Care Facility</i>		
Trade receivables	<u>8,855</u>	<u>15,235</u>
	<u>69,188</u>	<u>23,254</u>

Note 6. Current assets -prepayments

	2013	2012
	\$	\$
<i>Juninga Aged Care Facility</i>		
Prepayments	<u>23,185</u>	<u>21,348</u>

Note 7. Non-current assets - property, plant and equipment

	2013	2012
	\$	\$
<i>Gwalwa Daraniki Association Incorporated</i>		
Buildings – at revalued amount	17,357,088	7,036,755
Less: Accumulated depreciation	<u>(3,420,852)</u>	<u>(3,069,014)</u>
	<u>13,936,236</u>	<u>3,967,741</u>
<hr/>		
Plant and equipment - at cost	113,146	79,913
Less: Accumulated depreciation	<u>(82,031)</u>	<u>(72,638)</u>
	<u>31,105</u>	<u>7,275</u>
<hr/>		
Motor vehicles - at cost	160,271	160,271
Less: Accumulated depreciation	<u>(142,356)</u>	<u>(138,722)</u>
	<u>17,915</u>	<u>21,549</u>
<hr/>		
Office equipment - at cost	42,174	38,552
Less: Accumulated depreciation	<u>(28,357)</u>	<u>(24,649)</u>
	<u>13,817</u>	<u>13,903</u>
<hr/>		
<i>Juninga Aged Care Facility</i>		
Buildings – at cost	463,976	463,976
Less: Accumulated depreciation	<u>(45,576)</u>	<u>(34,182)</u>
	<u>418,400</u>	<u>429,794</u>
<hr/>		
Plant and equipment - at cost	233,323	210,944
Less: Accumulated depreciation	<u>(112,220)</u>	<u>(85,975)</u>
	<u>121,103</u>	<u>124,969</u>
<hr/>		
Work in Progress	<u>-</u>	<u>7,732</u>
	<u>14,538,576</u>	<u>4,572,963</u>

Note 8. Current liabilities - trade and other payables

	2013	2012
	\$	\$
<i>Gwalwa Daraniki Association Incorporated</i>		
Trade creditors	1,169,733	863,974
GST liabilities	18,812	85,150
PAYG liabilities	18,536	55,986
Superannuation	<u>84,701</u>	<u>74,553</u>
	<u>1,291,782</u>	<u>1,079,663</u>
<hr/>		
<i>Juninga Aged Care Facility</i>		
Trade creditors	<u>271,421</u>	<u>237,497</u>
	<u>1,563,203</u>	<u>1,317,160</u>

Note 9. Employee benefits

	2013	2012
	\$	\$
<i>Juninga Aged Care Facility</i>		
Provision for annual leave	114,383	106,978
Provision for long service leave	89,666	85,313
	<u>204,049</u>	<u>192,291</u>
Analysis of total provisions		
Current	184,939	178,533
Non-current	19,110	13,758
	<u>204,049</u>	<u>192,291</u>

Note 10. Equity - retained surpluses

	2013	2012
	\$	\$
<i>Gwalwa Daraniki Association Incorporated</i>		
Retained surpluses (accumulated losses) at the beginning of the financial year	(1,210,520)	(439,993)
Surplus (deficit) for the year	5,998,085	(770,527)
	<u>4,787,565</u>	<u>(1,210,520)</u>
Retained surpluses (accumulated losses) at the end of the financial year		
<i>Juninga Aged Care Facility</i>		
Retained surpluses (accumulated losses) at the beginning of the financial year	25,447	8,650
Surplus (deficit) for the year	(75,417)	16,797
	<u>(49,970)</u>	<u>25,447</u>
Retained surpluses (accumulated losses) at the end of the financial year		
	<u>4,737,595</u>	<u>(1,185,073)</u>

Note 11. Asset revaluation reserve

	2013	2012
	\$	\$
Movements in the asset revaluation reserve:		
Balance at the beginning of financial year	4,251,959	4,251,959
Net adjustment to non-current assets at end of Period to reflect a change in current fair value: Buildings	5,034,697	-
Balance at end of financial year	9,286,656	4,251,959

Note 12. Contingent liabilities

The association had no contingent liabilities as at 30 June 2013 and 30 June 2012.

Note 13. Commitments

The association had no commitments for expenditure as at 30 June 2013 and 30 June 2012.

Note 14. Events after the reporting period

No matter or circumstance has arisen since 30 June 2013 that has significantly affected, or may significantly affect the association's operations, the results of those operations, or the association's state of affairs in future financial years.

COMPILATION REPORT TO GWALWA DARANIKI ASSOCIATION INCORPORATED

We have compiled the accompanying Unaudited Special Purpose Detailed Income Statement of Gwatwa Daraniki Association Incorporated, for the year ended 30 June 2013 which has been stamped for identification purposes. The Unaudited Special Purpose Detailed Income Statement has been prepared for the purpose of providing detailed financial information to the members of the Association.

The Responsibility of Committee Members

The Committee Member of the Association are solely responsible for the information contained in the Unaudited Special Purpose Detailed Income Statement and have determined that the accrual basis of accounting used is appropriate to meet their needs and for the purpose that the Detailed Income Statement was prepared.

Our Responsibility

On the basis of information provided by the Committee Members we have compiled the accompanying Special Purpose Detailed Income Statement in accordance with the accrual basis of accounting and APES 315 *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The Unaudited Special Purpose Detailed Income Statement was compiled exclusively for the benefit of the directors. We do not accept responsibility to any other person for the contents of the Unaudited Special Purpose Detailed Income Statement.



BDO Audit (NT)



C J Sciacca

Partner

Darwin: 29 May 2014

GWALWA DARANIKI ASSOCIATION INCORPORATED
UNAUDITED SPECIAL PURPOSE DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
<u>Revenue</u>		
Grant	30,327	-
Rental income and service charges	531,801	481,677
Revaluation of Buildings	5,285,635	-
Interest	-	-
Total Revenue	<u>5,847,763</u>	<u>481,677</u>
<u>Expenses</u>		
Accountancy Fees	44,430	16,720
Administration Costs	10,321	20,730
Auditor's Remuneration	29,800	-
Bank Charges	304	2,086
Depreciation	368,583	360,619
Electricity & Gas	20,250	27,326
Funeral Expenses	7,290	5,200
Interest Paid	28,279	22,447
Hire of Plant and Equipment	1,500	9,000
Legal Costs	-	5,412
Motor Vehicle Expenses	13,970	11,270
Printing & Stationery	1,300	3,290
Rates & Taxes	36,642	33,957
Repairs & Maintenance	298,167	402,100
Salaries & Wages	112,750	106,625
Superannuation Contributions	10,148	9,596
Water & Sewerage	51,017	215,824
Total Expenses	<u>1,034,751</u>	<u>1,252,204</u>
Surplus / (Deficit) for the Year	<u>4,813,012</u>	<u>(770,527)</u>

**JUNINGA AGED CARE CENTRE
UNAUDITED SPECIAL PURPOSE DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
<u>Revenue</u>		
Grant	1,950,844	1,981,376
Rental income and service charges	79,363	68,182
Fee income	471,923	441,548
Interest	492	1,103
Total Revenue	<u>2,502,622</u>	<u>2,492,209</u>
<u>Expenses</u>		
Administration Costs	231,960	161,435
Depreciation	37,639	33,663
General Expenses	126,389	173,788
Medical Costs	75,972	58,049
Motor Vehicle Expenses	10,214	12,744
Repairs & Maintenance	169,857	210,294
Salaries & Wages	1,911,749	1,811,356
Telephone	12,429	11,549
Travelling Expenses	1,830	2,534
Total Expenses	<u>2,578,039</u>	<u>2,475,412</u>
Surplus/ (Deficit) for the Year	<u>(75,417)</u>	<u>16,797</u>

Gwalwa Daraniki Association Incorporated
Statement by Committee

In the opinion of the committee:

- ~~the association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Northern Territory Associations Act and associated regulations;~~
- the attached financial statements and notes thereto comply with the Accounting Standards as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the association's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.
 - the association has kept such accounting records as to correctly record and explain the transactions and financial position of Gwalwa Daraniki Association Incorporated.
 - the association has kept its accounting records in such a manner as would enable true and fair accounts of Gwalwa Daraniki Association Incorporated to be prepared from time to time.
 - the association has kept its accounts in such a manner as would enable the accounts to be conveniently and properly audited.
 - the accounts have been properly prepared by a competent person.
 - the financial statements and notes are in accordance with Gwalwa Daraniki Association Incorporated's Constitution.

On behalf of the Committee:



Treasurer



Chairperson

Date ²⁸ ~~21~~ May 2014

INDEPENDENT AUDITOR'S REPORT

To the members of the Gwalwa Daraniki Association Incorporated.

We have audited the accompanying financial report, being a special purpose financial report of Gwalwa Daraniki Association Incorporated, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by committee.

Committee Members' Responsibility for the Financial Report

The committee members of Gwalwa Daraniki Association Incorporated are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of Northern Territory Associations Act and is appropriate to meet the needs of the members. The committee members of Gwalwa Daraniki Association Incorporated responsibility also includes such internal control as the committee members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We 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 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 risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee 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 audit opinion.

Independence

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

Basis for Disclaimer of Opinion

1. As is common with not for profit organisations, it is impractical for Gwalwa Daraniki Association Incorporated to establish control over the collection of revenue prior to entry in its financial records. Consequently, our audit has been restricted to performing audit tests on those amounts that have been recorded as received and we are unable to report whether all such amounts have been recorded.
2. We were not able to obtain sufficient and appropriate evidence to support the opening balances of the revaluation reserve to property plant and equipment of \$4,251,959 and the retained earnings previously stated of \$2,489,985. We were unable to determine whether adjustments might have been necessary in respect of the revaluation reserve and retained earnings reported in the statement of financial position and statement of changes in equity.
3. The evidence supporting the cost of property, plant and equipment acquired prior to 1 July 2005, is no longer available. The Association's records do not permit the application of other auditing procedures on the cost of property and equipment. The Association did not perform physical inventory of the property, plant and equipment owned during the year. We were not able to apply other auditing procedures to satisfy ourselves as to the cost of property and equipment. Further, the evidence supporting the acquisition of property plant and equipment acquired during the 2013 financial year was not made available. Therefore, we were unable to satisfy ourselves as to the accuracy of the balances.
4. The minutes for the committee members meetings for the year ended 30 June 2013 were not provided to us. We were not able to apply other audit procedures to satisfy ourselves that the Association had complied with its constitution.
5. The Association has not recognised the value of the building and improvements of the Juninga Aged Care Facility, thus we were not able to confirm or verify by alternative means the value of these assets. As a result we were not able to determine the value of adjustments in respect of building and improvements of Juninga Aged Care Facility.
6. We did not audit the financial statements of Juninga Aged Care Facility, an aged care centre operated by the National Assembly of the Uniting Church Frontier Services which is included in the financial statements of the Association. The financial statements of Juninga Aged Care Facility reflect total assets of 4%, and total revenue of 30% in 2013 of the related totals. We were unable to obtain sufficient appropriate audit evidence about the financial statements of Juninga Aged Care Facility for the year ended 30 June 2013 because we could not access to the financial information, management, and the auditors of Juninga Aged Care Facility. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.
7. Lease contracts for rental income for leased land were incomplete, unsigned or not available for review during the course of the audit. We could not confirm the completeness of rental income.
8. Supporting documentation for expenditure recorded in the ledger was not made available for our review during the audit. We were unable to ascertain the existence of expenditure.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial report.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the statement of profit and loss and other comprehensive income, which indicates that the Association incurred a net profit of \$10,190,692 during the year ended 30 June 2013 and, as of that date, the Association's current liabilities exceeded its total assets by \$1,435,291. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Association's ability to continue as a going concern and therefore, the Association may be unable to realise its assets and discharge its liabilities in the normal course of business.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Gwalwa Daraniki Association Incorporated to meet the requirements of the Northern Territory Associations Act. As a result, the financial report may not be suitable for another purpose.



BDO Audit (NT)



C J Sciacca
Partner

Darwin: 29 May 2014