FINANCIAL STATEMENTS

Central Land Council financial statements

Central Land Council Native Title Representative Body financial statements

Australian National
Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Indigenous Affairs

I have audited the accompanying financial statements of the Central Land Council for the year ended 30 June 2014, which comprise: a Statement by the Directors, Chief Executive and Chief Financial Officer; the Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

Directors' Responsibility for the Financial Statements

The directors of the Central Land Council are responsible for the preparation of the financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Central Land Council's preparation of the financial statements that give a true and fair view 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 Central Land Council's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

GPO Box 707 CANBERRA ACT 2601
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Phone (02) 6203 7300 Fax (02) 6203 7777

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Central Land Council:

(a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards; and

(b) give a true and fair view of the matters required by the Finance Minister's Orders including the Central Land Council's financial position as at 30 June 2014 and its financial performance and cash flows for the year then ended.

Australian National Audit Office

Ron Wah
Audit Principal

Delegate of the Auditor-General

Canberra
17 September 2014

CENTRAL LAND COUNCIL
STATEMENT BY DIRECTORS, CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2014 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the Commonwealth Authorities and Companies Act 1997, as amended.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Central Land Council will be able to pay its debts as and when they become due and payable.

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

Signed ....

Mr. David Ross
Director / Chief Executive Officer
Date: 17/9/2014

Signed ....

Mr. Francis Kelly
Acting Chair
Date: 17/9/2014

Signed ....

Dr Nigel Graves FCPA
Chief Financial Officer
Date: 17/9/2014

CENTRAL LAND COUNCIL

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	NOTES	2014 $	2013 $
EXPENSES			
Employees and Council members benefits	3(a)	21,164,715	20,002,815
Suppliers	3(b)	12,122,801	15,791,812
Grants	3(c)	–	384,000
Depreciation and amortisation	3(d)	2,162,908	1,777,567
Write-down and impairment of assets/receivables	3(e)	12,295	66,141
Total expenses		**35,462,719**	**38,022,335**
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4(a)	3,244,073	3,092,995
Interest	4(b)	499,189	614,299
Rental	4(c)	71,867	51,097
Other revenue	4(d)	1,632,732	–
Total own-source revenue		5,447,861	3,758,391
Gains			
Gains from sale of assets	4(e)	210,317	291,301
Reversals of previous asset write-downs and impairments	4(f)	9,147	11,882
Total gains		219,464	303,183
Total own-source income		5,667,325	4,061,574
Net cost of services		29,795,394	33,960,761
Revenue from government	4(g)	29,789,512	34,294,559
(Deficit)/surplus attributable to the Australian Government		**(5,882)**	**333,798**
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to profit and loss			
Changes in asset revaluation reserves	7(c)	–	1,408,703
Total other comprehensive income		**–**	**1,408,703**
Total comprehensive income attributable to the Australian Government		**(5,882)**	**1,742,501**

CENTRAL LAND COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	NOTES	2014 $	2013 $
ASSETS			
Financial assets			
Cash and cash equivalents	6(a)	11,008,287	11,513,292
Trade and other receivables	6(b)	675,773	795,162
Total financial assets		**11,684,060**	**12,308,454**
Non-financial assets			
Land and buildings	7(a)	23,381,958	22,896,292
Infrastructure, plant and equipment	7(b)	6,739,513	6,133,932
Inventories	7(d)	21,365	–
Total non-financial assets		**30,142,836**	**29,030,224**
Total assets		**41,826,896**	**41,338,678**
LIABILITIES			
Payables			
Suppliers	8(a)	2,134,061	1,803,792
Other payables	8(b)	236,975	137,698
Total payables		**2,371,036**	**1,941,490**
Provisions			
Employee provisions	9(a)	3,326,769	3,262,216
Total provisions		**3,326,769**	**3,262,216**
Total liabilities		**5,697,805**	**5,203,706**
NET ASSETS		**36,129,091**	**36,134,972**
EQUITY			
Asset revaluation reserve		5,460,313	5,460,313
Retained surplus		30,668,778	30,674,659
TOTAL EQUITY		**36,129,091**	**36,134,972**

CENTRAL LAND COUNCIL

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Retained earnings		Asset revaluation reserve		TOTAL EQUITY	
	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $
Opening balance	30,674,659	30,340,861	**5,460,313**	4,051,610	**36,134,972**	34,392,471
Comprehensive income						
Surplus/(deficit) for the period	(5,882)	333,798	–	–	(5,882)	333,798
Other comprehensive income	–	–	–	1,408,703	–	1,408,703
Total comprehensive income	(5,882)	333,798	–	1,408,703	(5,882)	1,742,501
of which:						
Attributable to the Australian Government	(5,882)	333,798	–	1,408,703	(5,882)	1,742,501
Transactions with owners	–	–				
Transfer between equity components	–	–	–	–	–	–
Closing balance as at 30 June 2014	**30,668,777**	30,674,659	**5,460,313**	5,460,313	**36,129,090**	36,134,972

CENTRAL LAND COUNCIL

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

Operating activities	NOTES	2014 $	2013 $
Cash received			
Sales of goods and rendering of services		5,117,960	3,007,540
Receipts from government		31,231,881	36,368,904
Rental income		71,867	51,097
Interest		533,302	714,384
Total cash received		**36,955,010**	**40,141,925**
Cash used			
Employees		21,100,162	19,348,645
Suppliers		13,366,575	18,148,735
Net GST paid to ATO		(50,560)	45,566
Total cash used		**34,416,177**	**37,542,946**
Net cash from/(used by) operating activities	10(a)	**2,538,833**	**2,598,979**
Investing activities			
Cash received			
Proceeds from sales of property, plant & equipment		534,949	291,301
Total cash received		**534,949**	**291,301**
Cash used			
Purchase of property, plant & equipment	7(c)	3,578,787	3,800,187
Total cash used		**3,578,787**	**3,800,187**
Net cash used by investing activities		**(3,043,838)**	**(3,508,886)**
Net increase/(decrease) in cash held		(505,005)	(909,907)
Cash and cash equivalents at the beginning of the reporting period		11,513,292	12,423,199
Cash and cash equivalents at the end of the reporting period	10(b)	**11,008,287**	**11,513,292**

FINANCIAL STATEMENTS

CENTRAL LAND COUNCIL

SCHEDULE OF COMMITMENTS AS AT 30 JUNE 2014

	2014 $	2013 $
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments	52,169	41,207
Total commitments receivables	52,169	41,207
Commitments payable		
Capital commitments		
Motor Vehicle	104,093	79,870
Total capital commitments	104,093	79,870
Other commitments		
Operating leases	469,765	431,256
Total other commitments	469,765	431,256
Total commitments payable	**573,858**	**511,126**
Net commitments by type	**521,689**	**469,919**
BY MATURITY		
Commitments receivable		
Other commitments receivable		
One year or less	16,829	14,507
From one to five years	15,780	11,840
Over five years	19,560	14,860
Total commitments receivable	52,169	41,207
Commitments payable		
Capital commitments		
One year or less	104,093	79,870
Total capital commitments	104,093	79,870
Operating lease commitments		
One year or less	81,025	108,304
From one to five years	173,580	159,492
Over five years	215,160	163,460
Total operating lease commitments	469,765	431,256
Total commitments payable	**573,858**	**511,126**
Net commitments by maturity	**521,689**	**469,919**

NB: Commitments are GST inclusive where relevant.

Nature of capital commitments
Motor vehicle.

General description of arrangements
Represents pending commitments for motor vehicle purchases.

Nature of operating lease commitments
Leases for office and staff accommodation.

General description of arrangements
Lease payments are generally subject to annual increase in accordance with upwards movements in the Consumer Price Index.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Objectives of the entity

The Central Land Council (the 'CLC' or the 'Council') is a statutory authority formed within the provision of Section 21 of the *Aboriginal Land Right (NT) Act 1976* (the 'Act'). It is a not-for-profit entity. The CLC receives appropriations from the Aboriginals Benefit Account (the 'ABA') pursuant to ministerially approved estimates prepared in accordance with Section 34 of the Act and made available under Section 64 of the Act. The CLC in its present form with its present programs is dependent on Government policy and continuing funding by Parliament.

The CLC is structured to meet outcomes in the Act and the outcomes (output groups) reported upon in this annual report, which are to:

- protect and represent the rights and interest of the Aboriginal people
- pursue and protect Aboriginal ownership and land interest
- support Aboriginal people in land protection of significant sites and maintaining their culture, heritage and languages
- enable Aboriginal people to sustainably use and manage land
- follow best practice for processing development proposals and managing income arising
- facilitate Aboriginal people to develop strong communities, outstations, and regions
- follow best practice corporate management.

The funding conditions of the CLC are laid down by the Act, and any special purpose agreement guidelines. Accounting for monies received from the ABA is subject to conditions approved by the Minister for the Indigenous Affairs.

1.2 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* (the CAC Act).

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting period ended on or after 1 July 2011; and,
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow to the CLC or a future sacrifice of economic benefit will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or in the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the CLC's statement of comprehensive income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant accounting judgements and estimates

In the process of applying the accounting policies listed in this note, the CLC has made the following judgement that has a most significant impact on the amounts recorded in the financial statements:

- The fair value of land and buildings has been taken to be the market value or the depreciated replacement cost of similar properties as determined by the directors or an independent valuer.

No other accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the applicable dates as stated in standard.

New standards/revised standards/interpretations/amending standards issued prior to the sign-off date applicable to the current reporting period did not have a financial impact on the CLC and are not expected to have future financial impact on the CLC.

The following table summarises the standards and interpretations that have become applicable during the year ended 30 June 2014 and have been adopted by the CLC.

AASBs and interpretations	Applicable from reporting period date
AASB 13 *Fair Value Measurement* (and consequential amendment AASB 2011-8) provides a single source of guidance for determining the fair value of assets and liabilities measured at fair value.	1 July 2013
AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*, which principally amends AASB 7 *Financial Instruments: Disclosures* to require disclosure of the effect or potential effect of netting arrangements, including rights of set-off associated with the CLC's recognised financial assets and recognised financial liabilities, on the CLC's financial position, when all the offsetting criteria of AASB 132 are not met.	1 July 2013

Future Australian Accounting Standard Requirements

The following new standards/revised standards/Interpretations/amending standards were issued by the Australian Accounting Standards Board prior to the sign-off date, which are not expected to have a material financial impact on the CLC for future reporting periods:

		Operative date
AASB 9	Financial Instruments – December 2013 (Compilation)	1 Jan 2017
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	1 Jan 2015
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 Jan 2014
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	1 Jan 2014
AASB 2013-5	Amendments to Australian Accounting Standards – Investment Entities [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139]	1 Jan 2014
AASB 2013-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, AASB 12 & AASB 1049]	1 Jan 2014
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – already effective; Part B Materiality – 1 Jan 2014; Part C Financial Instruments – 1 Jan 2015]	Refer title

1.5 Revenue

The revenues described in this note are revenues relating to the core operating activities of the CLC:

- Revenue from the sale of goods is recognised when:
  - the risks and rewards of ownership have been transferred to the buyer;
  - the CLC retains no managerial involvement or effective control over the goods;
  - the revenue and transaction costs incurred can be reliably measured; and
  - it is probable that the economic benefits associated with the transaction will flow to the CLC.

- Receivables for goods and services, which have 30 days credit term, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.
- Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.
- Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.
- Revenue from the rendering of a service, other than those contributions on receipt as per AASB 1004, is recognised by reference to the stage of completion of contract at the reporting date. The revenue is recognised when:
  - the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
  - the probable economic benefits associated with the transaction will flow to the Council.

The stage of completion of the contract at the reporting date is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Resources received free of charge

Resources received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recognised as either revenues or gains depending upon their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when asset qualifies for recognition, unless received from another government agency or authority as a consequence of a restructuring of administrative arrangements.

Revenues from government

Funding received or receivable from agencies (appropriated to the agency as a CAC Act body payment item for payment to the CLC) is recognised as revenue from government unless they are in the nature of an equity injection or a loan. These are recognised at the time the CLC becomes entitled to the funding or as contribution on receipt as per AASB 1004 *Contributions*.

1.6 Gains

Resources received free of charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another government agency or authority as a consequence of a restructuring of administrative arrangements.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Sale of assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Employee benefits

Employee benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within 12 months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the CLC is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the CLC's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The estimate of the present value of the long service leave liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The CLC recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The majority of employees of the CLC are members of Acumen Superannuation Fund. The CLC makes employer contributions to the Acumen superannuation fund at the rate of 12.5% paid on monthly basis. The CLC complies with the requirements of the superannuation choice legislation. All superannuation contributions are to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the last month of the year.

1.8 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not-finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract, and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis, which is representative of the pattern of benefits derived from the leased assets.

1.9 Borrowing costs

All borrowing costs are expensed as incurred.

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand and any demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

1.11 Financial assets

The CLC classifies its financial assets in the following categories:

- held-to-maturity investments
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the CLC has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period.

- *Financial assets held at amortised cost* – If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

- *Financial assets carried at cost* – If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.12 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.13 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.14 Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

1.15 Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than $2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located, including any necessary make good provisions.

Revaluations

Fair values for each class of asset are determined as shown below:

Asset class	Fair value measured at:
Land	Market selling price
Building excl. leasehold improvements	Market selling price
Leasehold improvements	Depreciated replacement cost or market selling price
Infrastructure, plant & equipment, computer equipment	Market selling price
Heritage and cultural assets	Market selling price
Library assets	Market selling price

Assets that are surplus to requirement are measured at their net realisable value. At 30 June 2014 the CLC held no surplus assets (30 June 2013: $0). Certain leasehold improvements have been made on land leased from

Aboriginal Land Trusts, for which various fair value measurement methods have been applied.

Following initial recognition at cost, land, buildings, infrastructure, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Formal revaluations are at fair value, being revalued with sufficient frequency such that the carrying amount of each asset class is not materially different, as at reporting date, from its fair value. The regularity of independent valuations depends upon the volatility of movements in the market value of the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

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

Frequency

Freehold land, buildings and plant and equipment are subject to a formal valuation at a minimum of every two years. The CLC policy is for formal valuations to be carried out by an independent qualified valuer. Between formal valuations assets are assessed for movements in fair value.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the CLC using, in all cases, the straight-line method of depreciation.

Capital works-in-progress are not depreciated until assets are ready for use.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2014	2013
Buildings on freehold land	40 years	40 years
Leasehold improvements	40 years	40 years
Motor vehicles	4 years	4 years
Computer equipment	3 to 4 years	3 to 4 years
Plant and equipment	7 to 10 years	7 to 10 years

The revalued amount of property, plant and equipment are depreciated for the remaining life of the property.

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 7c. Library assets, as the majority of purchases are individually under $2,000 (the asset threshold), and are charged directly to expenses, are subject to periodic revaluations and are not depreciated.

During the year 2012–13 CLC reviewed estimated residual value and useful life of motor vehicles. The change in estimates resulted in a reduction in depreciation charge of $811,554 for the year 2012–13.

Impairment

All assets were assessed for impairment at 30 June 2014. Where indications of impairment exist, the assets recoverable amount is estimated and an impairment adjustment is made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the CLC were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

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.

1.16 Inventories

Inventories not held for resale are valued at cost, unless they are no longer required, in which case they are valued at net realisable value.

Costs incurred in bringing each item of inventory to its present location and conditions are assigned as follows:

- raw materials and stores – purchase cost on a first-in-first-out basis
- finished goods and works-in-progress – cost of direct materials and labour plus attributable costs that are capable of being allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

1.17 Taxation / competitive neutrality

The CLC is exempt from all forms of taxation except for fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office
- for receivables and payables.

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

There were no significant events after balance sheet date.

NOTE 3: EXPENSES

Note 3(a): Employee benefits	2014 $	2013 $
Wages & salaries	17,895,279	16,530,774
Superannuation (defined contribution plans)	2,363,661	2,112,114
Leave and other entitlements	260,213	859,391
Separation and redundancies	–	–
Other employee benefits	645,562	500,536
Total employee benefits	21,164,715	20,002,815
Total employee expenses	**21,164,715**	**20,002,815**

All payments are within the terms of the 2012–2015 CLC Enterprise Agreement (EA). The CLC makes regular contributions in addition to minimum Superannuation Guarantee legislation at a rate of 12.50%.

The CLC pays compulsory professional indemnity insurance to Law Society NT for all its practicing lawyers and pays Comcover a premium for directors and officers insurance.

Note 3(b): Suppliers

Goods and services supplied or rendered		
Accounting & Audit	199,055	165,732
Consultants and other contractors	1,174,104	2,113,406
Travel, motor vehicle and meeting expenses	3,721,024	4,014,891
Accommodation & utilities	1,792,626	1,725,703
Other operating	2,711,650	2,688,351
Community Development Projects Expenses	1,954,068	4,652,465
Total goods and services supplied or rendered	**11,552,527**	**15,360,548**
Goods supplied in connection with		
Related parties	361,421	348,708
External parties	6,862,394	10,405,404
Total good supplied	7,223,815	10,754,112

CENTRAL LAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 3(b): Suppliers continued	2014 $	2013 $
Services rendered in connection with		
Related parties	70,000	51,246
External parties	4,258,712	4,555,190
Total services rendered	4,328,712	4,606,436
Total goods and services supplied or rendered	**11,552,527**	**15,360,548**
Other supplier expenses		
Operating lease rentals (minimum lease payments) – external parties	113,869	171,321
Workers Compensation & Professional Indemnity Insurance premium	456,405	259,943
Total other supplier expenses	570,274	431,264
Total supplier expenses	**12,122,801**	**15,791,812**

Note 3(c): Grants

Private sector:		
Non-profit organisations	–	384,000
Total grants	**–**	**384,000**

Note 3(d): Depreciation and amortisation

Depreciation:		
Buildings	602,391	511,315
Motor vehicles	1,225,658	979,272
Plant and equipment	204,220	210,064
IT equipment	130,639	76,916
Total depreciation	2,162,908	1,777,567
Amortisation of intangibles (software)	–	–
Total depreciation and amortisation	**2,162,908**	**1,777,567**

The aggregate amounts of depreciation expensed during the reporting period for each class of depreciable asset are detailed in Note 7(c): Analysis of property, plant and equipment.

Note 3(e): Write-down and impairment of assets

Asset write-downs and impairments from:		
Impairment of financial instruments – trade receivables	12,295	66,141
Total write-down and impairment of assets	**12,295**	**66,141**

CENTRAL LAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 4: INCOME

OWN SOURCE REVENUE

Note 4(a): Sale of goods and rendering of services	2014 $	2013 $
Provision of goods – External parties	–	60
Rendering of services – External parties	3,244,073	3,092,935
Total sale of goods and rendering of services	**3,244,073**	**3,092,995**

Note 4(b): Interest		
Interest from cash & short-term deposits	499,189	614,299
Total interest	**499,189**	**614,299**

Note 4(c): Rental income		
Operating lease – other	71,867	51,097
Total rental income	**71,867**	**51,097**

Note 4(d): Other revenue / gains		
Community project income	1,632,732	–
Total other gains	**1,632,732**	**–**

Note 4(e): Gains from sale of assets		
Motor vehicles, plant and equipment		
Proceeds from sale	534,949	291,301
Carrying value of assets sold	(324,632)	–
Net gain from sale of assets	**210,317**	**291,301**

Note 4(f): Reversal of previous asset write-downs and impairments		
Reversal of impairment losses – loans and receivables	9,147	11,882
Total reversals of previous asset write-downs and impairments	**9,147**	**11,882**

Note 4(g): Revenue from government		
From government – ABA s.64(1)	15,305,000	16,554,362
From government – ABA s.64(1) – 1996 to 2007 receivable	–	–
From government – special purpose contracts	13,023,463	15,876,061
From government – special purpose contracts (revenue received in advance but not yet spent)	1,461,049	1,864,135
Total revenue from government	**29,789,512**	**34,294,559**

Revenue received in advance but not yet spent (unearned revenue)

AASB 1004 requires recognition of revenue once control of assets is with the CLC. Under the interpretation of this standard restrictions over how the money should be spent do not result in obligations. Therefore no liability has been recognised, and the majority of grants are recognised as income when cash is received.

This accounting treatment has the effect of additional revenue being recognised for the CLC in the 2012/2013 financial year. For the 2013–14 financial year, $1,461,049 (2012–13: $1,864,135) was received and recognised as revenue, with corresponding outflows of resources expected in the 2014–15 financial year. Refer also Note 16 to these accounts.

NOTE 5: STATEMENT OF BUDGET VS. ACTUAL ABORIGINALS BENEFIT ACCOUNT APPROPRIATIONS

	ABA approved estimates $ 2013/2014	ABA actual $ 2013/2014	Variance $ 2013/2014
Expenditure			
Salaries and related expenses	11,730,837	12,518,580	(787,743)
Operational expenses	5,816,663	5,933,519	(116,856)
Total recurrent expenditure	**17,547,500**	**18,452,099**	**(904,599)**
Capital	**1,050,500**	**2,259,333**	**(1,208,833)**
Total expenditure	**18,598,000**	**20,711,432**	**(2,113,432)**
Income			
ABA sec. 64(1)	15,305,000	15,305,000	–
Administration fees	2,060,100	2,240,633	180,533
Interest	365,000	431,497	66,497
Sale of assets	184,000	178,416	(5,584)
Recoveries	610,000	1,017,021	407,021
Other	73,900	199,926	126,026
Total income	**18,598,000**	**19,372,493**	**774,493**
ABA surplus/(deficit) at 30 June 2014	–	**(1,338,939)**	**(1,338,939)**

The net deficit of $1,338,939 is accounted for as follows:	$ 2013/2014	Notes
ABA surplus/(deficit) at 30 June 2014:	**(1,338,939)**	
(add) Prev. year note – 2012–13	1,331,000	(i)
(less) ABA Debtor – Accomm. capacity Lajamanu	(390,000)	(i)
(less) Planned – Fleet change-over	(100,000)	(i)
ABA deficit after commitments as at 30 June 2014	**(497,939)**	

Notes:

(i) Prior year (2012–13) commitments relating to site works Lajamanu ($328,000), Site works Cameron Street ($190,000), Lajamanu Governance Pilot ($219,000) and Fleet changeover ($204,000) with an addtional commitment of $100,000 for 2013–14 are completed; however, Accommodation Capacity Lajamanu ($390,000) will complete in 2014–15.

Note 5(a): Reconciliation – ABA cash receipts to income statement

Cash release received during the reporting period:	2014 $	2013 $
ABA Section 64(1)	15,305,000	16,554,362
ABA Section 64(1) – payment under s.64(1)	–	–
	15,305,000	**16,554,362**

During the previous period $4,641,079 was received as a payment under s.64(1), payable to an association. As agreed with the Minister, this will be applied for long-term sustainable benefit of indigenous people in CLC's region.

Note 5(b): Reconciliation – ABA Special Purpose Grant: Lajamanu Community Governanace Project Mentors Group

Income		
ABA grant income/(repayment)	–	56,000
Total income/(repayment)	–	–
Expenditure		
Operational expenditure	48,233	–
Total expenditure	48,233	
Annual movement in grant funds	**(48,233)**	**56,000**
Multi-year grant balance of funds:	7,767	56,000

Note 5(c): ABA Special Purpose Grant: Lajamanu Kurdiji Governance Project Phase 2

Income		
ABA grant income	132,466	–
Total income	132,466	–
Expenditure		
Operational expenditure	–	–
Total expenditure	–	–
Annual movement in grant funds	**132,466**	**–**
Multi-year grant balance of funds:	132,466	

Note 5(d): ABA Special Purpose Grant: Women's Law and Culture Meeting 2013

Income		
ABA grant income/(repayment)	103,291	–
Total income/(repayment)	103,291	
Expenditure		
Capital and operational expenditure	114,931	–
Total expenditure	114,931	
Annual movement in grant funds	**(11,640)**	**–**
Multi-year grant balance of funds:	(11,640)	

CENTRAL LAND COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 $	2013 $
Note 5(e): ABA Special Purpose Grant: Mutitjulu Youth Recreation Precinct		
Income		
ABA grant income/(repayment)	(1,485)	2,775,350
Total income/(repayment)	(1,485)	2,775,350
Expenditure		
Capital and operational expenditure	–	2,875,612
Total expenditure	–	2,875,612
Annual movement in grant funds	**(1,485)**	**(100,262)**
Multi-year grant balance of funds:	–	1,485
Note 5(f): ABA Special Purpose Grant: Men and Women of Central Australia Oral History Project		
Income		
ABA grant income/(repayment)	340,000	–
Total income/(repayment)	340,000	–
Expenditure		
Operational expenditure	206,117	83,246
Total expenditure	206,117	83,246
Annual movement in grant funds	**133,883**	**(83,246)**
Multi-year grant balance of funds:	98,762	(35,121)
Note 5(g): ABA Special Purpose Grant: ABA Ranger Capital and Operational		
Income		
ABA grant income/(repayment)	361,660	400,000
Total income/(repayment)	361,660	400,000
Expenditure		
Capital and operational expenditure	702,351	992,070
Total expenditure	702,351	992,070
Annual movement in grant funds	**(340,691)**	**(592,070)**
Multi-year grant balance of funds	103,554	444,245

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 $	2013 $
Note 5(h): ABA Special Purpose Grant: Capacity Development for Community Development and Investment of Rental Income		
Income		
ABA grant income/(repayment)	–	–
Total income/(repayment)	–	–
Expenditure		
Operational expenditure	14,099	22,536
Total expenditure	**14,099**	**22,536**
Annual movement in grant funds	**(14,099)**	**(22,536)**
Multi-year grant balance of funds:	63,365	77,464
Note 5(i): ABA Special Purpose Grant: Contribution to the Independent Evaluation of the CLC 'Community Development Unit' and the CLC 'Community Governance Project'		
Income		
ABA grant income/(repayment)	–	180,000
Total income/(repayment)	–	**180,000**
Expenditure		
Operational expenditure	179,100	–
Total expenditure	**179,100**	–
Annual movement in grant funds	**(179,100)**	**180,000**
Multi-year grant balance of funds:	900	180,000
Note 5(j): Reconciliation – ABA Special Purpose Grant: Funeral and Ceremony		
Income		
ABA grant income/(repayment)	304,000	303,000
Total income/(repayment)	**304,000**	**303,000**
Expenditure		
Operational expenditure	331,308	295,872
Total expenditure	**331,308**	**295,872**
Annual movement in grant funds	**(27,308)**	**7,128**
Multi-year grant balance of funds:	(20,180)	7,128

CENTRAL LAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 6: FINANCIAL ASSETS

Note 6(a): Cash and cash equivalents	**2014 $**	**2013 $**
Cash on hand or on deposit (refer also Note 10(b))	11,008,287	11,513,292
Total cash and cash equivalents	**11,008,287**	**11,513,292**
Note 6(b): Trade and other receivables		
Goods and Services:		
Goods and Services – related entities	–	–
Goods and Services – external parties	648,763	682,285
Total receivables for goods and services	648,763	682,285
Other receivables		
GST receivable from Australian Taxation Office	83,679	134,239
Interest receivable	34,663	68,776
Total other receivables	118,342	203,015
Total trade and other receivables (gross)	**767,105**	**885,300**
Less: impairment allowance account		
Goods and services	(91,332)	(90,137)
	(91,332)	(90,137)
Total trade and other receivables (net)	**675,773**	**795,162**

All receivables are current assets. Debtors are recognised at their nominal amounts due less provisions for impairment, if any. Provisions are made when collection of the debt is judged to be less rather than more likely. All debtors are unsecured and as such, the carrying value of the net receivables represents the amount exposed to credit risk.

Receivables are expected to be recovered in:		
No more than 12 months	675,773	795,162
More than 12 months	–	–
Total trade and other receivables (net)	**675,773**	**795,162**
Receivables are aged as follows:		
Not overdue	280,307	341,068
Overdue by:		
– less than 30 days	59,866	46,183
– 31 to 60 days	160,145	399,740
– 61 to 90 days	14,893	8,037
– more than 90 days	168,215	90,272
	403,119	544,232
Total Receivables (gross)	**683,426**	**885,300**

CENTRAL LAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 6(b): Trade and other receivables continued	2014 $	2013 $
The impairment allowance is aged as follows:		
Overdue by		
– 31 to 60 days	–	–
– 61 to 90 days	–	(3,639)
– more than 90 days	(91,332)	(86,498)
	(91,332)	**(90,137)**

Credit terms for goods and services were within 30 days (2013: 30 days). An impairment provision was raised during the financial year for invoices above 90 days. Please refer to Note 17 for ageing and impairment details. Revenue and a receivable (31 to 60 days) are recorded for a variation in 2012–13 Aboriginals Benefit Account s.64(1) for $390,000 received in the current year.

Reconciliation of the Impairment Allowance Account Movements in relation to 2014 – goods and services opening balance	90,137	35,878
Amounts written off	10,342	66,141
Amounts recovered and reversed	(9,147)	(11,882)
Increase/decrease recognised in net surplus	1,195	54,259
Closing balance	**91,332**	**90,137**

NOTE 7: NON-FINANCIAL ASSETS

Note 7(a): Land and buildings	2014 $	2013 $
Freehold land at gross carrying value (at fair value)	4,670,390	4,670,390
Buildings on freehold land:		
– work-in-progress	239,889	252,091
– fair value	12,980,534	12,364,365
– accumulated depreciation	(424,412)	-
	12,796,011	12,616,456
Buildings on leasehold land:		
– work-in-progress		534,200
– fair value	6,093,536	5,075,246
– accumulated depreciation	(177,979)	–
	5,915,557	5,609,446
Total Land and buildings	23,381,958	22,896,292

All land and buildings were subject to revaluation and were independently revalued by Maloney Asset Services as at 30 June 2013.

A revaluation increment of $1,408,703 for land and buildings was credited to the asset revaluation reserve and included in the equity section of the balance sheet in 2013.

At 30 June 2014, the directors believe that all non-financial assets as reported are carried at the present fair market value and no indicators of impairment were found for non-financial assets.

No land or buildings are currently held for sale or are expected to be sold or disposed in the next 12 months.

CENTRAL LAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 7(b): Infrastructure, plant and equipment	2014 $	2013 $
Motor vehicles – at cost	8,825,870	8,555,799
Accumulated depreciation	(4,130,686)	(4,588,568)
	4,695,184	**3,967,231**
Plant and equipment – at cost	2,001,719	2,113,621
Plant and equipment – at fair value	125,450	125,450
Accumulated depreciation	(810,379)	(836,548)
	1,316,790	**1,402,523**
Library at fair value	500,000	500,000
Accumulated depreciation	(50,000)	(50,000)
	450,000	**450,000**
Computer equipment at cost	1,187,752	1,093,751
Accumulated depreciation	(910,213)	(779,574)
	277,539	**314,177**
Total infrastructure, plant and equipment	**6,739,513**	**6,133,932**

At 30 June 2014, the directors believe that all non-financial assets are carried at the present fair market value and no indicators of impairment were found for non-financial assets. A change of estimates for motor vehicles in 2012–13 has been documented in Note 1.

No property, plant or equipment is currently held for sale or expected to be sold or disposed in the next 12 months.

Note 7(c): Analysis of property, plant and equipment

Table (A): Reconciliation of the opening and closing balances of property, plant and equipment 2013–14

	Land & buildings $	Motor vehicles $	Plant & equipment $	Library $	Computer equipment $	TOTAL $
As at 1 July 2013						
Gross book value	22,896,293	8,555,799	2,239,071	500,000	1,093,751	35,284,914
Accumulated depreciation/amortisation	–	(4,588,568)	(836,548)	(50,000)	(779,574)	(6,254,690)
Net book value 1 July 2013	**22,896,293**	**3,967,231**	**1,402,523**	**450,000**	**314,177**	**29,030,224**
Additions						
By purchase	1,088,056	2,207,641	189,089	–	94,001	3,578,787
Revaluation movements						
Revaluation increments recognised in equity	–	–	–	–	–	–
Depreciation expense	(602,391)	(1,225,658)	(204,220)		(130,639)	(2,162,908)
Disposals – gross value	–	(1,937,572)	(300,989)	–	–	(2,238,561)
Disposals – accumulated depreciation	–	1,683,540	230,389	–	–	1,913,929
Net book value 30 June 2014	**23,381,958**	**4,695,182**	**1,316,792**	**450,000**	**277,539**	**30,121,471**

CENTRAL LAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 7(c): Analysis of property, plant and equipment continued	**Land & buildings $**	**Motor vehicles $**	**Plant & equipment $**	**Library $**	**Computer equipment $**	**TOTAL $**
Net book value as of 30 June 2014 represented by						
Gross book value	23,984,349	8,825,868	2,127,171	500,000	1,187,752	36,625,140
Accumulated depreciation	(602,391)	(4,130,686)	(810,379)	(50,000)	(910,213)	(6,503,669)
Accumulated impairment losses						
Closing net book value	**23,381,958**	**4,695,182**	**1,316,792**	**450,000**	**277,539**	**30,121,471**

Table (B): Reconciliation of the opening and closing balances of property, plant and equipment 2012–13

	Land & buildings $	**Motor vehicles $**	**Plant & equipment $**	**Library $**	**Computer equipment $**	**TOTAL $**
As at 1 July 2012						
Gross book value	20,902,565	7,698,817	2,027,163	500,000	823,864	31,952,408
Accumulated depreciation/amortisation	(496,593)	(4,456,975)	(626,484)	(50,000)	(702,658)	(6,332,710)
Net book value 1 July 2012	**20,405,972**	**3,241,842**	**1,400,679**	**450,000**	**121,206**	**25,619,698**
Additions						
Work-in-progress	543,748	–	–	–	–	543,748
By purchase	1,069,984	1,704,660	211,908	–	269,887	3,256,439
Revaluation movements						
Revaluation increments recognised in equity	1,408,703	–	–	–	–	1,408,703
Depreciation expense	(511,315)	(979,272)	(210,064)	-	(76,916)	(1,777,567)
Disposals – gross Value	(20,799)	(847,679)	–	–		(868,478)
Disposals – accumulated Depreciation	–	847,679	–	–	–	847,679
Net book value 30 June 2013	**22,896,293**	**3,967,230**	**1,402,523**	**450,000**	**314,177**	**29,030,222**
Net book value 30 June 2013 represented by						
Gross book value	22,896,293	8,555,799	2,239,071	500,000	1,093,751	35,284,913
Accumulated depreciation	–	(4,588,568)	(836,548)	(50,000)	(779,574)	(6,254,690)
Accumulated impairment losses						
Closing net book value	**22,896,293**	**3,967,231**	**1,402,523**	**450,000**	**314,177**	**29,030,223**

CENTRAL LAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 7(d): Inventory	2014 $	2013 $
Inventories not held for sale (cost):		
Tyres	21,365	–
Total Inventories	**21,365**	**–**

The value of inventories as at 30 June 2013 was $Nil. All inventories are expected to be utilised within 12 months.

NOTE 8: PAYABLES

Note 8(a): Suppliers	2014 $	2013 $
Trade creditors	1,291,205	1,469,993
Sundry creditors and accruals	842,855	333,799
Total supplier payables	**2,134,061**	**1,803,792**
Supplier payables are expected to be settled within 12 months:		
Related entities	51,800	45,540
External parties	2,082,261	1,758,252
Total	**2,134,061**	**1,803,792**

Note 8(b): Other payables

Salaries and wages	236,975	137,698
Total other payables	**236,975**	**137,698**

All payables are expected to be settled within 12 months.

NOTE 9: PROVISIONS

Note 9(a): Employee provisions	2014 $	2013 $
Leave	3,326,769	3,262,216
Aggregate employee entitlement liability	**3,326,769**	**3,262,216**
Employee provisions are expected to be settled in:		
No more than 12 months	2,488,677	2,507,015
More than 12 months	838,092	755,201
Total employee provisions	**3,326,769**	**3,262,216**

Long service leave liabilities were calculated using the shorthand method as at 30 June 2014 as detailed in FMO 43.2.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 10: CASH FLOW RECONCILIATION

Note 10(a): Reconciliation of net cost of services to net cash from operating activities:

	2014 $	2013 $
Net cost of services	(29,795,394)	(33,960,761)
Add revenue from government	29,789,512	34,294,559
Adjustments for non-cash Items		
Depreciation and amortisation	2,162,908	1,777,567
Gain on disposal of assets	(210,317)	(291,301)
Donated assets	–	20,799
Impairment of assets	12,295	66,141
Reversal of impairment losses	(9,147)	(11,882)
Movements in assets and liabilities		
Decrease/(Increase) in receivables	116,241	(226,715)
Decrease/(Increase) in inventory	(21,365)	15,652
Increase/(Decrease) in employee provisions	64,553	654,170
Increase/(Decrease) in payables	429,547	260,749
Net cash from (used by) operating activities	**2,538,833**	**2,598,978**

Note 10(b): Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement

Cash balance comprises:		
Cash on hand		
– Petty cash	500	500
Cash at bank		
– Operations	3,129,849	3,444,933
– Term deposits	7,000,000	8,000,000
– Office of Indigenous Policy Coordination (OIPC) account	877,938	67,859
Balance of cash as at 30 June 2014 shown in the Statement of Cash Flows	**11,008,287**	**11,513,292**

CENTRAL LAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 11: EXECUTIVE COMMITTEE REMUNERATION

Total remuneration received or due and receivable by the Executive:	2014 $	2013 $
Salaries and benefits	246,621	231,385
Superannuation contributions	29,024	24,039
	275,645	**255,424**

The number of Executive members of the CLC included in these figures are shown below in the relevant remuneration bands:

	2014	2013
$Nil – $29,999	15	18
$30,000 to $59,999	–	1
$120,000 to $179,999	1	1
$180,000 to $209,999	–	–
Total number of Executive members of the CLC	**16**	**20**

The Executive is a committee of the CLC pursuant to s.29A of the ALRA. Executive members met 13 times this year. The superannuation guarantee contribution is paid where appropriate. The rates for Executive and chair remuneration are set by the Australian Government Remuneration Tribunal.

The names of the CLC Executive who held office during the year ended 30 June 2014 are:

M J Ryan – chair
F Kelly – deputy chair
M Liddle
G Barnes
S Butcher
J Haines
H Nelson
P Wilyuka (Retd)
M Jones
N Kunoth-Monks
T Long
N Petrick
V Forrester
M Rubuntja
M Ray
D Williams (Retd)
P Wilson
B Tennyson
S Andeson (Retd)
S Clyne (Retd)
S Dempsey (Retd)
V Lynch (Retd)
M Ross (Retd)
P Simpson (Retd)

NOTE 12: RELATED PARTY DISCLOSURE

There were no loans or grants made to directors or director-related entities during the period. All transactions with directors or director-related entities were made on normal terms and conditions. In cases where transactions occurred, the directors took no part in relevant decisions.

The CLC holds three fully paid ordinary shares issued at $1.00 each in Centrecorp Aboriginal Investment Corporation Pty Ltd ('Centrecorp'), the trustee of two charitable trusts. Centrecorp itself does not have financial transactions or prepare financial statements. The deeds of both charitable trusts exclude the CLC as a shareholder to benefit from the trusts and precludes the deeds from being amended to ever allow such a benefit. As a result the CLC does not control or have influence over these entities. The fair value of the three shares is zero.

The CLC holds one fully paid share valued at $1.00 Imparja Television Pty. Ltd. The constitution of Imparja Television Pty Ltd paragraph 48 (a) states 'surplus shall not be distributed to the members.' The CLC does not control or have influence over the entity. The fair value of the share is zero.

NOTE 13: SENIOR EXECUTIVE REMUNERATION

13(a): Senior executive remuneration expense for the reporting period

	2014 $	2013 $
Short-term employee benefits:		
Salary (including annual leave taken)	657,813	956,260
Performance bonus	–	–
Other	21,973	37,788
Total short-term employee benefit	679,786	994,048
Post-employment benefits:		
Superannuation (post-employment benefits)	100,253	91,774
Total post-employment benefits	100,253	91,774
Other long-term benefits:		
Annual leave accrued	26,597	122,093
Long service leave	21,921	(37,092)
Total other long-term benefits	48,518	85,001
Total	**828,557**	**1,170,822**

Note 13(a) was prepared on an accrual basis. No bonuses were paid or are payable. Prior year comparatives have been amended in line with the definition of 'senior executive' in Finance Ministers Orders (FMO) 23.1. It also excludes acting arrangements and part-year service where total remuneration expensed as a senior executive was less than $195,000.

Note 13(b): Average annual reportable remuneration paid to substantive senior executives during the reporting period

Average annual reportable remuneration paid to substantive senior executives in 2014

Average annual reportable remuneration	Senior executives No.	Reportable salary $	Contributed superannuation $	Reportable allowances $	Bonus paid $	Total $
Total reportable remuneration (including part-time arrangements):						
less than $195,000	1	169,974	18,332	2,411		190,717
$195,001 to $224,999	1	188,699	22,319	4,604		215,622
$225,000 to $254,999	1	213,480	31,913	4,858		250,251
$255,000 to $284,999	–	–	–	–	–	–
Above $285000	1	265,639	46,020	2,506		314,165
Total number of substantive senior executives	4					

CENTRAL LAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 13(b): Average annual reportable remuneration paid to substantive senior executives during the reporting period

Average annual reportable remuneration paid to substantive senior executives in 2013

Average annual reportable remuneration	Senior executives No.	Reportable salary $	Contributed superannuation $	Reportable allowances $	Bonus paid $	Total $
Total reportable remuneration (including part-time arrangements):						
less than $195,000	2	145,497	18,289	3,318		167,104
$195,001 to $224,999	1	189,538	22,605	4,694		216,837
$225,000 to $254,999	1	228,267	7,050	1,390		236,707
$255,000 to $284,999	1	252,519	29,824	2,475		284,818
Above $285,000	–	–	–	–	–	–
Total number of substantive senior executives	5					

1. This table reports on substantive senior executives who received remuneration during the reporting period. Each row represents an average figure based on headcount for individual in the band.
2. Reportable salary include the following:
   a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column)
   b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax purposes)
   c) Reportable employer superannuation contribution
   d) exempt foreign employment income.
3. The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. There were no bonus payments to CLC employees during the financial year.

NOTE 14: REMUNERATION OF AUDITORS

	2014 $	2013 $
Remuneration to auditors for the reporting period are as follows:		
Australian National Audit Office (ANAO) – for statutory audit	51,800	50,200
Merit Partners Pty Ltd – for acquittal of grants	40,500	41,450
PriceWaterhouseCoopers for auditing the accounts of Associations assisted by the Land Council	84,000	85,045
	176,300	**176,695**

The audit fees above report the costs associated with auditing each financial year.

The CLC incurs the cost of an audit on each of the Aboriginal corporations, trusts and companies for which the Aboriginal Associations Management Centre (AAMC) assists. Subsequently these costs are covered by fees charged to the associations. PriceWaterhouseCoopers continues to perform the audits and some tax agent services for these entities.

No other services were provided by the ANAO during the reporting period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 15: LAND USE TRUST ACCOUNT

The CLC maintains a Land Use Trust Account. Monies received on behalf of the associations of Aboriginal people and individuals in accordance with Section 35 of the ALRA, are held in the Land Use Trust Account and are disbursed in accordance with the terms of the trust. These monies are not available for other purposes of the CLC, and are not recognised in the financial statements.

	2014 $	2013 $
Opening balance	33,212,642	13,998,775
Add receipts		
Subsection 64(1) & (3) statutory royalty equivalents	157,856	250,896
Section 42,43,44,46,48a & 48d negotiated monies	15,299,359	9,740,171
Section 15,16,19 & 20 rental and lease monies	6,341,473	6,250,245
National Emergency Response Act 2007 (NT)	14,739	18,361,385
Other monies	3,043,387	2,812,697
Total receipts	**24,856,815**	**37,415,394**
Deduct payments		
Section 35(2) statutory royalty equivalents	157,856	250,896
Section 35(3) negotiated payments	14,996,778	9,795,601
Section 35(4) rental and lease monies	4,818,843	4,137,140
National Emergency Response Act 2007 (NT)	6,543,199	3,268,985
Other payments	1,716,473	748,905
Total payments	**28,233,150**	**18,201,527**
Closing balance	**29,836,307**	**33,212,642**
Cash at bank and term deposits	29,836,307	33,212,642

Note 15(a): Details of amounts paid – s.35(2)

Details of amounts paid as required by Section 37(4) ALRA:	2013/2014	2012/2013
Ngurratjuta Pmara Ntjarra Aboriginal Corporation	157,892	250,896
	157,892	**250,896**

Determinations under s. 35(2) – both made 24 August 2011

That all money paid to it under subsection 64(3) in respect of that area affected by the Palm Valley and Mereenie Oil/Gas Field operations shall be paid, within six months of its receipt by the CLC to the Ngurratjuta/Pmara Ntjarra Aboriginal Corporation (ICN – 414).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 15(b): Details of amounts paid – s.35(4a)

Details of amounts paid as required by Section 35(4A) 'Accountable Amounts' ALRA. Rent paid by the Director of National Parks under the lease of the Uluru–Kata Tjuta National Aboriginal Corporation.

	2013–14
Centre for Appropriate Technology	3,397
CASA Leisure Pty Ltd	15,557
CASA Leisure Pty Ltd	7,500
Centre for Appropriate Technology	20,788
Centre for Appropriate Technology	15,814
Community Development CMUT01	13,000
Community Development	5,761
CAT Project	3,285
CAT Project	180
Centre for Appropriate Technology	214,729
Solar System	7,500
Western Desert NWPT	24,900
CAT Project	23,978
Tangetyere Construction	16,790
Centre for Appropriate Technology	54,996
Principals Australia Inc	18,182
CAT Project	9,920
Community Development CURM01 to CURM05	235,798
	692,075

NOTE 16: SPECIAL PURPOSE CONTRACTS

	2014 $	2013 $
Statement of completion for special purpose contracts		
Revenue received in advance but not yet spent		
Contract contributions unexpended at 30 June 2014 (refer Note 4(g) for revenue disclosure)	2,772,789	4,038,957
Closing balance unexpended grants	**2,772,789**	**4,038,957**

The total balance of unexpended grants as at 30 June 2014 is $2,772,789, of which $1,461,049 relates to revenue recognised in the 2013–14 financial year. The revenue received in advance but not yet spent represents recognised revenue (in line with AASB 1004) for which there will be outflows in the following year (services not yet performed). The closing balance represents future year expected cash outflows relating to current or prior year revenue recognised.

NOTE 17: FINANCIAL INSTRUMENTS

Note 17(a): Categories of financial instruments

Financial assets	2014 $	2013 $
Loans and receivables		
Cash on hand or on deposit	11,008,287	11,513,292
Trade and other receivables – net of impairment losses	592,094	660,923
Total	11,600,381	12,174,215
Carrying amount of financial assets	11,600,381	12,174,215
Financial liabilities		
At amortised cost		
Trade creditors	1,291,205	1,469,993
Sundry creditors and accruals	842,855	333,799
Total	2,134,061	1,803,792
Carrying amount of financial liabilities	2,134,061	1,803,792

The carrying amounts are a reasonable approximation of fair value due to their short-term nature. The majority of the financial assets/liabilities above are short-term payables and receivables. The CLC has not transferred financial assets in which it has retained an interest. Trade and other receivables of $592,094 (2013: $660,923) have been reduced by GST receivable of $83,679 (2013: $134,239). The amount has also been reduced by allowances for impairment amounting to $91,332 in 2014 (2013: $90,137).

Note 17(b): Net income and expenses from financial assets and liabilities

Loans and receivables		
Interest revenue (see note 4(b))	499,189	614,299
Net gain/(loss) loans and receivables	**499,189**	**614,299**
Net gain/(loss) from financial assets	**499,189**	**614,299**

There was no income or expense to be recognised from financial liabilities of the CLC.

Note 17(c): Credit risk

Cash at the bank and receivables for goods and services represent the total exposure of the CLC to credit risk. The CLC is exposed to minimal credit risk as the majority of receivables are short term; are due under legislation or contract; or are receivable from the Australian Taxation Office in the form of a GST refund. An ageing analysis can be found at Note 6(b).

All bank accounts and term deposits are held with one of Australia's 'Big 4' banks. The CLC has a concentration of credit risk with National Australia Bank (NAB) as CLC's bank accounts and term deposits are held with NAB.

All debtors are unsecured and as such, the carrying value of the net receivables represents the amount exposed to credit risk. The CLC holds no collateral to mitigate against credit risk.

CENTRAL LAND COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Credit quality of financial instruments not past due or individually determined as impaired

Note 17(b): Net income and expenses from financial assets and liabilities	Not past due nor impaired 2014 $	Not past due nor impaired 2013 $	Past due or impaired 2014 $	Past due or impaired 2013 $
Trade receivables	245,644	138,053	403,119	544,232
Interest receivable	34,663	68,776	–	–
Total	**280,307**	206,829	**403,119**	544,232

Ageing of financial assets that were past due but not impaired	2014 $	2013 $
– less than 30 days	59,866	46,183
– 31 to 60 days	160,145	399,740
– 61 to 90 days	14,893	4,398
– more than 90 days	76,883	3,774
	311,787	**454,095**

Note 17(d): Liquidity risk and market risk

The CLC's financial liabilities are suppliers payables. The CLC in its present form with its present programs is dependent on government policy and on continuing appropriations by Parliament. The CLC manages its budget to ensure it has adequate funds to meet payments as they fall due. Financial liabilities at 30 June 2014 of $2,134,061 (2013: $1,803,792) are all current liabilities (due within 1 year).

There is no market risk relating to the CLC's financial assets or liabilities.

Note 17(e): Interest Rate Risk

The CLC's sensitivity to movement in interest rates in relation to the nature of interest bearing assets in 2014 has been assessed as 1% (100 basis points). Based on cash as at 30 June 2014, movement of 1% would equate to a $110,082 increase/decrease in profit and corresponding increase/decrease in equity (2013: $115,128 increase or decrease in profit or increase/decrease in equity).

NOTE 18: CONTINGENT LIABILITIES

At 30 June 2014, the CLC had no significant legal claims in progress. Where quantifiable costs exist, accruals have been raised.

NOTE 19: FAIR VALUE MEASUREMENT

The different levels of the fair value hierarchy are defined below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than qoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The CLC determines fair value for its non-financial assets using the level 2 and 3 inputs in the fair value hierarchy.

The following table disclose the fair value at 30 June 2014 and the valuation techniques used to derived its fair value:

Fair value measurement – valuation technique & input used for non-financial assets

	Fair value $	Category	Valuation technique	Input used & range
Non-financial asets				
Land and buildings				
Freehold land	4,670,390	Level 2	– Market-based valuation of a direct comparatives	
Building on freehold land	12,556,122	Level 2	– Capitalisation on an assume income based on comparative properties	
Work in progress	239,889	Level 3	– Depreciated replacement cost	– Replacement cost based on comparable price of modern equivalent
Building on leasehold land	5,915,557	Level 3	– Depreciated replacement cost	– Remaining useful life of the building on a leasehold land – Replacement cost based on comparable price of modern equivalent
Infrastructure plant and equipment				
Motor vehicles	4,695,184	Level 3	Market comparables	– Market buying/selling price – Residual value of about 10-15% costs – Remaining useful lives of 3 to 4 years
Plant and equipment	1,316,790	Level 3	– Depreciated replacement cost	– Remaining useful lives of 3 to 10 years – Replacement cost based on comparable price of modern equivalents
Computer equipment	277,539	Level 3	– Depreciated replacement cost	– Remaining useful lives of 3 to 10 years – Replacement cost based on comparable price of modern equivalents
Library	450,000	Level 3	– Depreciated replacement cost	– Replacement cost based on comparable price of modern equivalents
Total Non-financial Assets	**30,121,471**			

The fair value of the CLC's freehold land and and building, including work-in-progress, as at 30 June 2014 has been determined and approved by the CLC using the basis of of the valuation carried out by Maloney Asset Services as at 30 June 2013, which is a certified practising valuer and with relevant experience in the valuation of property in Alice Springs. The independent valuer provide the fair value of the freehold land and building every two years. The fair value measurement for the freehold land and building has been categorised as Level 2 fair value based on the valuation technique noted above.

The fair value of the CLC's building on leasehold land as at 30 June 2014 has also been determined and approved by the CLC using the basis of of the valuation carried out by Maloney Asset Services as at 30 June 2013. The fair value measurement for the building on leasehold land has been categorised as Level 3 fair value based on the inputs of the valuation technique (see above).

For those infrastructure, plant and equipment that are carried at cost, their cost approximates their fair market value. The highest and best use of the infrastructure, plant and equipment approximates its current use.

The reconciliations for the recuring level 2 and 3 fair market value measurements of land and building and infrastructure, plant and equipment are detailed in Note 7.

There were no change in valuation technique used by CLC during the year.

Australian National
Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Indigenous Affairs

I have audited the accompanying financial statements of the Central Land Council – Native Title Representative Body for the year ended 30 June 2014, which comprise: a Statement by the Directors, Chief Executive and Chief Financial Officer; the Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

Directors' Responsibility for the Financial Statements

The directors of the Central Land Council – Native Title Representative Body are responsible for the preparation of the financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Central Land Council - Native Title Representative Body's preparation of the financial statements that give a true and fair view 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 Central Land Council - Native Title Representative Body's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT 2600
Phone (02) 6203 7300 Fax (02) 6203 7777

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Central Land Council - Native Title Representative Body:

(a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards; and

(b) give a true and fair view of the matters required by the Finance Minister's Orders including the Central Land Council - Native Title Representative Body's financial position as at 30 June 2014 and its financial performance and cash flows for the year then ended.

Australian National Audit Office

Ron Wah
Audit Principal

Delegate of the Auditor-General

Canberra
17 September 2014

CENTRAL LAND COUNCIL - Native Title Representative Body
STATEMENT BY DIRECTORS, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The Central Land Council (CLC) is a Native Title Representative Body (NTRB) as prescribed in the *Native Title Act 1993*. Since being recognised as an NTRB, the CLC has performed the functions of the NTRB in association with other CLC mainstream functions.

There has been a requirement since 2002 for the CLC to prepare financial statements for the NTRB under section 203 DC of the *Native Title Act 1993*.

In our opinion, the attached financial statements for the year ended 30 June 2014 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, as amended.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Body will be able to pay its debts as and when they become due and payable.

Signed ....

Mr. David Ross
Director / Chief Executive Officer

Date 17/9/2014

Signed ....

Mr. Francis Kelly
Acting Chair

Date 17/09/2014

Signed ....

Dr Nigel Graves FCPA
Chief Financial Officer

Date 17/9/2014

CENTRAL LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	NOTES	2014 $	2013 $
NET COST OF SERVICES			
EXPENSE			
Employees and Council members	3(a)	1,743,350	1,874,602
Suppliers	3(b)	1,413,018	1,493,253
Depreciation	3(c)	165,327	98,393
TOTAL EXPENSES		**3,321,695**	**3,466,248**
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4(c)	3,825	27,743
Interest	4(b)	22,948	32,016
Total own-source revenue		26,773	59,759
Gains			
Gains from disposal of assets	4(d)	70,583	91,818
Total gains		70,583	91,818
Total own-source Income		97,356	151,577
Net (cost of) services		(3,224,339)	(3,314,671)
Revenue from government	4(a)	4,033,650	3,325,000
Surplus attributable to the Australian Government		809,311	10,329
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserves		–	–
Total other comprehensive income/(loss)		–	–
Total comprehensive income attributable to the Australian Government		**809,311**	**10,329**

CENTRAL LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	NOTES	2014 $	2013 $
ASSETS			
Financial assets			
Cash	10	877,938	67,858
Total financial assets		877,938	67,858
Non-financial Assets			
Infrastructure, plant and equipment	6(a)	535,370	552,834
Total non-financial assets		535,370	552,834
Total assets		**1,413,308**	**620,692**
LIABILITIES			
Provisions			
Employee provisions	7(a)	349,210	365,905
Total provisions		349,210	365,905
Total liabilities		**349,210**	**365,905**
NET ASSETS		**1,064,098**	**254,787**
EQUITY			
Asset revaluation reserve		14,288	14,288
Retained surplus		1,049,810	240,499
Total equity		**1,064,098**	**254,787**

CENTRAL LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Retained Surplus / (Loss)		Asset revaluation reserve		TOTAL EQUITY	
	2014 $	**2013 $**	**2014 $**	**2013 $**	**2014 $**	**2013 $**
Opening balance	240,499	230,170	14,288	14,288	254,787	244,458
Other comprehensive income						
Surplus for the period	809,311	10,329	–	–	809,311	10,329
Total comprehensive income	**809,311**	**10,329**	**–**	**–**	**809,311**	**10,329**
Closing balance as at 30 June 2014	1,049,810	240,499	14,288	14,288	1,064,098	254,787

CENTRAL LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 $	2013 $
Operating activities			
Cash received			
Revenue from government	4(a)	4,033,650	3,325,000
Interest	4(b)	22,948	32,016
Sales of goods and rendering of services	4(c)	3,825	27,743
Total cash received		4,060,423	3,384,759
Cash used			
Employees	3(a)	1,760,044	1,809,396
Suppliers	3(b)	1,413,018	1,493,253
Total cash used		3,173,062	3,302,649
Net cash from operating activities	8	**887,361**	**82,110**
Investing activities			
Cash received			
Proceeds from sales of property, plant & equipment		98,182	91,818
Total cash received		98,182	91,818
Cash used			
Purchase of property, plant & equipment	6(b)	175,463	268,808
Total cash used		175,463	268,808
Net cash used in investing activities		**(77,281)**	**(176,990)**
Net decrease in cash held		810,080	(94,880)
Cash at the beginning of the reporting period		67,858	162,738
Cash at the end of the reporting period	10	**877,938**	**67,858**

CENTRAL LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY

SCHEDULE OF COMMITMENTS AS AT 30 JUNE 2014

	2014 $	2013 $
BY TYPE		
Commitments payable		
Capital commitments		
Motor vehicle	–	–
Total capital commitments	–	–
Net commitments by type	**–**	**–**
BY MATURITY		
Commitments payable		
Capital commitments		
One year or less	–	–
Total capital commitments	–	–
Net commitments by maturity	**–**	**–**

NB: Commitments are GST inclusive where relevant.

There were no commitments receivable or operating lease commitments as at 30 June 2014.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Overview

The Central Land Council (CLC) is a Native Title Representative Body (NTRB) as prescribed in the *Native Title Amendment Act 1998* (the Native Title Act) and a Land Council under the *Aboriginal Land Rights (Northern Territory) Act 1976* (the Land Rights Act). It is a not-for-profit entity. Since being recognised as an NTRB, the CLC has performed the functions of the NTRB in association with other CLC functions. The CLC has reporting requirements specified in the *Native Title Amendment Act 1998*, Commonwealth Authorities and Companies Act 1997 (schedule 1) and through Finance Minister's Orders (FMOs).

The NTRB is dependent on the continued release of these funds for its continued existence and ability to carry out its normal activities. The funding conditions of the NTRB are laid down by the Native Title Act, and any special purpose grant guidelines. Accounting for monies received from Department of The Prime Minister and Cabinet (PM&C) is subject to conditions approved by the Land Rights Branch.

1.2 Basis of preparation of the financial report

The financial statements of the CLC as an NTRB are required by Section 203DC (4) of the *Native Title Amendment Act 1998* and are general purpose financial statements.

The financial statements have been prepared in accordance with:

- FMOs for reporting period ended on or after 1 July 2011
- Australian Accounting Standards, including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The CLC as an NTRB has prepared the Statement of Comprehensive Income, Statement of Financial Position and Cashflow Statement applicable to the NTRB operation and function. All NTRB account balances have been identified from within the CLC financial information and accurately extracted from the CLC accounts, representing the completeness and existence of all assets and liabilities of the NTRB. The CLC maintains an NTRB revenue and expenditure cost centre and the Statement of Comprehensive Income is a complete and accurate record of NTRB revenue and expenditure.

The NTRB Statement of Comprehensive Income and Statement of Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial report is prepared in Australian dollars.

Unless an alternative treatment is specifically required by an Accounting Standard or directed by an FMO, assets and liabilities are recognised in the NTRB Balance Sheet when and only when it is probable that future economic benefits will flow to the NRTB or a future sacrifice of economic benefit will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the NTRB Statement of Comprehensive Income when, and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant accounting judgements and estimates

In the process of applying the accounting policies listed in the notes, the NTRB has not made judgements that have the most significant impact on the amounts recorded in the financial statements.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 New accounting standards

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the applicable dates as stated in standard.

New standards / revised standards / interpretations/ amending standards issued prior to the sign-off date applicable to the current reporting period did not have a financial impact on the NTRB and are not expected to have future financial impact on the NTRB.

The following table summarises the standards and interpretations that have become applicable during the year ended 30 June 2014 and have been adopted by the NTRB.

CLC NATIVE TITLE REPRESENTATIVE BODY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

AASBs and interpretations	Applicable from reporting period date
AASB 13 *Fair Value Measurement* (and consequential amendment AASB 2011-8) provides a single source of guidance for determining the fair value of assets and liabilities measured at fair value.	1 July 2013
AASB 2012-2 *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*, which principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of the effect or potential effect of netting arrangements, including rights of set-off associated with the CLC's recognised financial assets and recognised financial liabilities, on the CLC's financial position, when all the offsetting criteria of AASB 132 are not met.	1 July 2013

Future Australian Accounting Standard requirements

The following new standards/revised standards/Interpretations/amending standards were issued by the Australian Accounting Standards Board prior to the sign-off date, which are not expected to have a material financial impact on the CLC for future reporting periods:

		Operative date
AASB 9	Financial instruments – December 2013 (compilation)	1 Jan 2017
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	1 Jan 2015
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	1 Jan 2014
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	1 Jan 2014
AASB 2013-5	Amendments to Australian Accounting Standards – Investment Entities [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139]	1 Jan 2014
AASB 2013-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, AASB 12 & AASB 1049]	1 Jan 2014
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – already effective; Part B Materiality – 1 Jan 2014; Part C Financial Instruments – 1 Jan 2015]	Refer title

1.5 Revenue

The revenues described in this note are revenues relating to the core operating activities of the NTRB:

- Revenue from the sale of goods is recognised when:
  - the risks and rewards of ownership have been transferred to the buyer
  - the NTRB retains no managerial involvement or effective control over the goods
  - the revenue and transaction costs incurred can be reliably measured
  - it is probable that the economic benefits associated with the transaction will flow to the entity.
- Interest revenue is recognised using the effective interest rate method as set out in AASB 139 *Financial Instruments, Recognition and Measurement.*
- Receivables for goods and services, which have 30 days credit term, are recognised at the nominal

amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

- Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.
- Revenue from the rendering of a service, other than those contributions on receipt as per AASB 1004, is recognised by reference to the stage of completion of the contract to provide the service at the reporting date. The revenue is recognised when:
  - the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
  - the probable economic benefits associated with the transaction will flow to the NTRB.

  The stage of completion of the contract at the reporting date is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Resources received free of charge

Resources received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recognised as either revenues or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when asset qualifies for recognition, unless received from another government agency or authority as a consequence of a restructuring of administrative arrangements.

Program funding agreements

Most agreements require the grantee to perform services or provide facilities, or to meet eligibility criteria. Receipts from agreements are recognised as income when received. Where agreement funds have been paid in advance had a stand-ready obligation to return unspent funds, a liability is recognised.

Revenues from government

Funding received or receivable from agencies (appropriated to the agency as a CAC Act body payment item for payment to the CLC) is recognised as revenue from government unless they are in the nature of an equity injection or a loan. These are recognised at the time the CLC becomes entitled to the funding or as contribution on receipt as per AASB 1004 Contributions.

1.6 Gains

Resources received free of charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another government agency or authority as a consequence of a restructuring of administrative arrangements.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Sale of assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Employee benefits

Employee benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Leave

The liability for employee benefits includes provisions for annual leave and long service leave. No provision has been made for sick leave as it is non-vesting and the average sick leave taken in future years by employees of the NTRB is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, at the estimated salary rates that will be applied at the time leave is taken, including the NTRB's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The estimate of the present value of the long service leave liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The NTRB recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The majority of employees of the CLC are members of Acumen Superannuation Fund. The CLC makes employer contributions to the Acumen superannuation fund at the rate of 12.5% paid on monthly basis. The CLC as an NTRB complies with the requirements of the superannuation choice legislation.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the last month of the year.

1.8 Leases

A distinction is made between finance leases and operating leases. Finance lease effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased asset are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets.

1.9 Borrowing costs

All borrowing costs are expensed as incurred.

1.10 Cash

Cash includes notes and coins held at bank. Cash is recognised at its nominal amount.

1.11 Financial assets

The NTRB classifies its financial assets in the following categories:

- held-to-maturity investments
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon 'trade date'.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the NTRB has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting date.

- *Financial assets held at amortised cost* – If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.
- *Financial assets held at cost* – If there is objective evidence that an impairment loss has been incurred,

the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.12 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.13 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.14 Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

1.15 Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than $2,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located, including any necessary make good provisions.

Revaluations

Fair values for each class of asset are determined as shown below:

Asset class	Fair value measured at:
Infrastructure, plant & equipment	Market selling price
Motor vehicles	Market selling price

Assets that are surplus to requirement are measured at their net realisable value. At 30 June 2014 the NTRB held no surplus assets (30 June 2013: $0).

Following initial recognition at cost, infrastructure, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Formal revaluations are at fair value, being revalued with sufficient frequency to ensure that the carrying amount of assets is not materially different, as at reporting date, from its fair value. The regularity of independent valuations depends upon the volatility of movements in the market value of the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

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

Frequency

Infrastructure, plant and equipment is subject to a formal valuation at a minimum of every five years. The CLC (as an NTRB) policy is for formal valuations to be carried out by an independent qualified valuer. Between formal valuations assets are assessed for movements in fair value.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the NTRB using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2014	2013
Motor vehicles	4 years	3 years
Plant and equipment	3 to 10 years	3 to 10 years

The revalued amount of property, plant and equipment is depreciated for the remaining life of the property.

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 6(b).

During the year NTRB reviewed estimated residual value and useful life of motor vehicles. The change in estimates resulted in a reduction in depreciation charge of $65,684 for the year 2012-13.

Impairment

All the assets were assessed for impairment at 30 June 2014. Where indications of impairment exist, the assets recoverable amount is estimated and an impairment adjustment is made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if The NTRB were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

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.

1.16 Taxation/competitive neutrality

The NTRB is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office
- for receivables and payables.

NOTE 2: EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after balance date.

CLC NATIVE TITLE REPRESENTATIVE BODY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 3: EXPENSES

Note 3(a): Employee benefits

	2014 $	2013 $
Wages & salaries	1,547,783	1,601,858
Superannuation	178,743	173,890
Leave	(16,694)	65,206
Other employee benefits	33,518	33,648
Total employee benefit expense	**1,743,350**	**1,874,602**

There were no expenses incurred for separation or redundancy of employees.

All payments are within the terms of the 2012–15 CLC Enterprise Agreement (EA). The CLC-NTRB makes regular contributions in addition to minimum superannuation Guarantee Legislation at a rate of 12.50%.

Note 3(b): Supplier expenses

Goods from related entities	–	–
Goods from external parties	124,212	166,260
Services from related entities	39,405	33,955
Services from external parties	1,225,766	1,276,261
Workers Compensation premium	23,635	16,776
Total Suppliers expenses	**1,413,018**	**1,493,253**

Note 3(c): Depreciation

Motor vehicles	135,816	90,681
Plant and equipment	29,511	7,712
Total depreciation	**165,327**	**98,393**

The aggregate amount of depreciation or amortisation expensed during the reporting period for each class of depreciable assets are detailed in Note 6: Analysis of infrastructure, plant & equipment.

NOTE 4: REVENUE

Note 4(a): Revenues from government

	2014 $	2013 $
PMC grant – operational	4,033,650	3,325,000
Total revenues from government	**4,033,650**	**3,325,000**

Note 4(b): Interest revenue

Interest from deposits	22,948	32,016
Total interest revenue	**22,948**	**32,016**

CLC NATIVE TITLE REPRESENTATIVE BODY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 4(c): Sale of goods and rendering of services

Rendering of services – external entities	3,825	27,743
Total sales of goods and rendering of services	**3,825**	**27,743**

Note 4(d): Net gains from sale of assets

Motor vehicles, plant & equipment		
Proceeds from disposal	98,182	91,818
Net book value of assets disposed	(27,599)	–
Net gain from disposal	**70,583**	**91,818**

NOTE 5: PM&C GRANT: NATIVE TITLE – OPERATIONAL

	2013–14 Approved budget $	**2013–14 Actual $**
INCOME		
Other project income		
Bank interest	24,000	22,948
Vehicle trade-in	40,000	98,182
AGI – cost recovery	240,000	240,000
2012–13 capital funds c/fwd	67,858	67,858
PM&C funding		
Capital	202,000	202,000
Operational	3,177,000	3,831,650
TOTAL INCOME	**3,750,858**	**4,462,638**
EXPENDITURE		
Capital		
Vehicles	202,000	175,463
Total Capital	**202,000**	**175,463**
Operational		
Salaries		
CEO/GM or equivalents	140,000	140,000
Corporate staff	348,000	322,316
Project staff	1,480,623	1,402,697
Services		
Accommodation	179,600	172,087
Motor vehicles – corporate	25,612	17,505
Motor vehicles – attributable	48,315	70,762

CLC NATIVE TITLE REPRESENTATIVE BODY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 5: PM&C GRANT: Native Title – operational continued	**2013–14 Approved budget $**	**2013–14 Actual $**
Repair and maintenance – equipment	33,000	48,576
Repair and maintenance – buildings	20,800	–
Bank charges	2,000	–
Audit fees	12,000	8,520
Consultants – corporate	10,000	9,850
Consultants – attributable	276,000	138,624
Communications, telephones, fax and IT	95,500	153,209
Insurance – other	12,000	23,635
Insurance – assets	20,800	43,890
Insurance professional indemnity	21,000	30,885
Corporate HR/finance/property serv/library	120,150	164,983
NNTC contribution	20,000	20,000
Training & development		
Governing committee	4,000	4,250
Staff	36,000	19,103
Meetings		
Governing committee	26,000	21,945
Attributable other meetings expenses	57,200	32,061
Travel & allowances		
Chair	8,000	7,980
Other governing committee members	17,000	4,559
Members (travel)		–
Claimants (travel)	79,200	82,593
Staff (travel) corporate	26,500	13,279
Staff (travel) attributable	40,500	72,707
Supplies & consumables		
Corporate office sup/office misc.	6,200	4,187
Other		
2012–13 capital funds c/fwd.	67,858	67,858
Misc. recoverable meetings attrib exp	240,000	236,175
PBC – Lhere Artepe	75,000	75,000
	3,548,858	**3,409,237**
Balance as at 30 June 2014	**–**	**877,938**

Consistent with Note 1.1, the NTRB maintains accounts on an accrual basis; however, this statement includes elements of cash accounting consistent with the terms and conditions of the Native Title Grant.

Surplus of $877,938 is adjusted for budget variation amount received in advance of $654,650. The adjusted surplus of $223,288 ($887,938 – $654,650) is committed for capital expenditure ($125,913) and consultancy projects ($97,375).

CLC NATIVE TITLE REPRESENTATIVE BODY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 6: NON-FINANCIAL ASSETS

Note 6(a): Infrastructure, plant and equipment

	2014 $	2013 $
Motor vehicles – at cost	837,344	909,444
Accumulated depreciation	(355,354)	(439,501)
	481,990	**469,943**
Plant and equipment – at cost	186,334	186,334
Plant and equipment – at fair value	92,111	92,111
Accumulated depreciation	(225,065)	(195,554)
	53,380	**82,891**
Total infrastructure, plant and equipment	**535,370**	**552,834**

At 30 June 2014, the directors believe that all the non-financial assets are carried at the present fair market value and no indicators of impairment were found for non-financial assets. A change in estimates for motor vehicles in 2012–13 has been documented in Note 1.

No property, plant or equipment is currently held for sale or expected to be sold or disposed in the next 12 months.

Note 6(b): Analysis of property, plant and equipment

Table (A): Reconciliation of the opening and closing balances of property, plant and equipment 2013–14

	Motor vehicles $	Plant & equipment $	TOTAL $
As at 1 July 2013			
Gross book value	909,444	278,445	1,187,889
Accumulated depreciation/amortisation	(439,501)	(195,554)	(635,055)
Net book value as at 1 July 2013	**469,943**	**82,891**	**552,834**
Additions			
By purchase	175,463	–	175,463
Depreciation expense	(135,816)	(29,511)	(165,327)
Disposals – gross value	(247,562)	–	(247,562)
Disposals – accumulated depreciation	219,963	–	219,963
Net book value as at 30 June 2014	**481,990**	**53,380**	**535,370**
Net book value as at 30 June 2014 represented by			
Gross book value	837,344	278,445	1,115,789
Accumulated depreciation	(355,354)	(225,065)	(580,418)
Accumulated impairment losses			
Closing net book value	**481,990**	**53,380**	**535,370**

CLC NATIVE TITLE REPRESENTATIVE BODY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 6(b): Analysis of property, plant and equipment continued

Table (B): Reconciliation of the opening and closing balances of property, plant and equipment 2012–13

	Motor vehicles $	Plant & equipment $	TOTAL $
As at 1 July 2012			
Gross book value	897,161	207,043	1,104,204
Accumulated depreciation/amortisation	(533,943)	(187,843)	(721,786)
Net book value as at 1 July 2012	**363,218**	**19,200**	**382,418**
Additions			
By purchase	197,406	71,402	268,808
Depreciation expense	(90,681)	(7,711)	(98,392)
Disposals – gross value	185,123	–	185,123
Disposals – accumulated depreciation	(185,123)	–	(185,123)
Net book value as at 30 June 2013	**469,943**	**82,891**	**552,834**
Net book value as at 30 June 2013 represented by			
Gross book value	909,444	278,445	1,187,889
Accumulated depreciation	(439,501)	(195,554)	(635,055)
Accumulated impairment losses			
Closing net book value	**469,943**	**82,891**	**552,834**

NOTE 7: PROVISIONS

Note 7(a): Employee provisions

	2014 $	2013 $
Leave	349,210	365,904
Aggregate employee entitlement liability	**349,210**	**365,904**
Employee provisions are expected to be settled in:		
No more than 12 months	241,606	266,392
More than 12 months	107,604	99,512
Total employee provisions	**349,210**	**365,904**

CLC NATIVE TITLE REPRESENTATIVE BODY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 8: CASH FLOW RECONCILIATION

	2014 $	2013 $
Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement		
Cash and cash equivalents as per		
Cash flow statement	877,938	67,858
Statement of financial position	877,938	67,858
Discrepancy	–	–
Reconciliation of net cost of serives to net cash from operating activities		
Net cost of services	(3,224,339)	(3,314,671)
Add revenue from government	4,033,650	3,325,000
Non-cash items		
Depreciation of plant & equipment	165,327	98,393
Gain on disposal of assets	(70,583)	(91,818)
Movements in assets and liabilities		
Increase/(decrease) in employee liabilities	(16,694)	65,206
Net cash from operating activities	**887,361**	**82,110**

NOTE 9: DIRECTOR REMUNERATION

There were no director remuneration payments made during the period with NTRB funding.

NOTE 10: CASH

Cash at bank and on hand – NTU account	877,938	67,858
Balance of cash as at 30 June shown in the cash flow statement	**877,938**	**67,858**

Cash at bank – accounts are recognised at their nominal values. Interest, which is earned at the daily prevailing rate, is credited to revenue as it accrues.

NOTE 11: AUDITORS REMUNERATION

Remuneration to the Australian National Audit Office for auditing the financial statements for the reporting period.

The fair value of services provided was:	9,200	8,800
	9,200	**8,800**

The Audit Fees disclosed above were treated as expenses in the period (FMO 23.1).

Only audit services were provided by the ANAO during the reporting period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 12: EMPLOYEE NUMBERS

The staffing levels for the NTRB as at 30 June 2014 were:	**19**	**17**

NOTE 13: FINANCIAL INSTRUMENTS

Note 13(a): Categories of financial instruments

	2014 $	2013 $
Financial assets		
Loans and receivables		
Cash at bank	877,938	67,858
Carrying amount of financial assets	**877,938**	**67,858**

The carrying amounts are a reasonable approximation of fair value.

Note 13(b): Net income and expenses from financial assets and liabilities

Loans and receivables		
Interest revenue (see note 4(b))	22,948	32,016
Net gain/(loss) loans and receivables	**22,948**	**32,016**
Net gain/(loss) from financial assets	**22,948**	**32,016**

There was no income or expense to be recognised from financial liabilities of the NTRB.

Note 13(c): Credit risk

The NTRB is not exposed to credit risk as receivables are short term; are due under legislation or contract; or are receivable from the Australian Taxation Office in the form of a GST refund. As at 30 June 2014 there were no receivables for the NTRB.

Where incurred, all debtors are unsecured and as such, the carrying value of the net receivables represents the amount exposed to credit risk.

Note 13(d): Liquidity risk and market risk

The NTRB's liabilities are employee liabilities. The NTRB in its present form with its present programs is dependent on government policy and on continuing appropriations by Parliament. The NTRB manages its budget to ensure it has adequate funds to meet payments as they fall due. Financial liabilities at 30 June 2014 are $Nil.

There is no market risk relating to NTRB financial assets or liabilities. Sensitivity to movement in interest rates in relation to the nature of interest bearing assets in 2014 has been assessed as 1% (100 basis points). Based on cash balance as at 30 June 2014, an increase/decrease of 1% would equate to a $8,779 increase/decrease in profit and equity (2013: $678 increase/decrease in profit and equity).

NOTE 14: CONTINGENT LIABILITIES

At 30 June 2014, the NTRB had no significant legal claims in progress. Where quantifiable costs exists, accruals have been raised.

CLC NATIVE TITLE REPRESENTATIVE BODY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 15: FAIR VALUE MEASUREMENT

The different levels of the fair value hierarchy are defined below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than qoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The NTRB determines fair value for its non-financial assets using the Level 3 inputs in the fair value hierarchy.

The following table disclose the fair value at 30 June 2014 and the valuation techniques used to derived its fair value:

	Fair value measurement – Valuation technique & input used for non-financial assets			
	Fair value $	**Category**	**Valuation technique**	**Input used & range**
Non-financial assets				
Motor vehicles	481,990	Level 3	Market comparables	– Market buying/selling price – Residual value of about 10-15% costs – Remaining useful lives of 3 to 4 years
Plant and equipment	53,380	Level 3	– Depreciated replacement cost	– Remaining useful lives of 3 to 10 years – Replacement cost based on comparable price of modern equivalents
Total non-financial assets	**535,370**			

For those motor vehicle and plant and equipment that are carried at cost, their cost approximates their fair market value. The highest and best use of the motor vehicles and plant and equipment approximates its current use.

The reconciliations for the recuring Level 3 fair market value measurements of motor vehicles and plant and equipment are detailed in Note 6.

There were no change in valuation technique used by CLC during the year.