

National Congress of Australia's First Peoples Limited

ACN 143207587

Annual report for the financial period ended
30 June 2011

National Congress of Australia's First Peoples Limited

Annual report
for the financial period ended 30 June 2011

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National Congress of Australia's First Peoples Limited

Directors' report

The directors of National Congress of Australia's First Peoples Limited submit herewith the annual financial report of the company for the financial period ended 30 June 2011. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Information about the directors and senior management

The names and particulars of the directors of the company during or since the end of the financial period are:

Dr Kerry Arabena, PhD

National Congress Co-Chair

19 March 2010 - 3 December 2010

National Congress Board Member

19 March 2010 – 8 July 2011

Current Position

Consultant

Previous Positions

Director of the Regional Governance Unit, Office of Indigenous Policy Coordination

Executive Director of Sexual Health and Family Planning ACT and Reproductive Healthcare Services in Canberra;

Executive Director Apunipima Cape York Health Council

Chair, International Advisory Committee for Sexual Health and Family Planning Australia,

Chair, National Indigenous Australians Sexual Health Committee

Chair, ACT Healthpact Health Promotion Board.

Mr Sam Jeffries

National Congress Co-Chair

19 March 2010 to 8 July 2011

Current Positions

Deputy Chairperson: Indigenous Land Corporation (ILC)

Board Member, NSW Western Catchment Management Authority

Panel Member, NSW Aboriginal Trust Fund Repayment Scheme

Chairperson/CEO, Indigenous Environmental Services February 2009

Current Appointments

Chair, Murdi Paaki Regional Assembly

Co-Chair, National Centre of Indigenous Excellence

Chair, Barwon Darling Alliance

Chair, National Aboriginal Sports Corporation

Previous Positions/Appointments

Councillor on the Walgett Shire Council

ATSIC Regional Councillor (five terms)

ATSIC Regional Council Chair (three terms)

Deputy Chair of the Indigenous Land Corporation

Chair of the National Centre for Indigenous Excellence

Board Member of the NSW Aboriginal Housing Office

Chair, Barwon Darling Alliance

Ms Josephine Bourne

National Congress Co-Chair

3 December 2010 to 8 July 2011

Board Member

19 March 2010 – 8 July 2011

Current Appointment

Member, Expert Panel on Constitutional Recognition of Aboriginal and Torres Strait Islander peoples

Previous Positions

Manager, Indigenous Youth Leadership Program

Secretariat Member, Steering Committee for the Creation of a New National Representative Body

Member, Aboriginal and Torres Strait Islander Community and Philanthropy Partnership Project Member, Member,

Melbourne Living and Learning Centre Steering Committee

Various positions in Queensland Education Department in Townsville

Directors' report (continued)

National Congress of Australia's First Peoples Limited

Professor Peter Buckskin
National Congress Board Member

19 March 2010 – 8 July 2011

Current Position

Dean, David Unaipon College of Indigenous Education & Research

Current Appointments

Director, The Lowitja Institute

Chair of the National Indigenous Higher Education Network

Executive Member of the World Indigenous Higher Education Consortium

Co-Chair of the South Australian Aboriginal Education and Training Consultative Body

Co-Chair Reconciliation South Australia.

Previous Positions

Chair of the South Australian Aboriginal Education Consultative Committee

Commissioner of the Australian Commission to UNESCO

Ministerial Adviser, Superintendent of Schools

Senior Executive at both State and Federal level

Awards

Commonwealth Public Service Medal (PSM) in recognition of his outstanding public service in pursuing equality in education for Australia's Indigenous peoples.

Elected Fellow of the Academy of the Australian College of Educators for his continuing contribution to education.

Mr Ned David
National Congress Board Member

19 March 2010 – 8 July 2011

Current Position

Director of the Yumi Education Support Services

Current Appointments

President of the Torres Strait Islanders Regional Education Council (TSIREC)

Member of the National Advisory Committee for the Indigenous Youth Leadership Program

President, the Urapun Tubudalgal Land Trust

President of Magani Lagaugal Registered Native Title Body

Secretary of the Torres Strait Islanders Media Association.

Previous Positions

Manager of Strategic Initiatives, Department of Education and Training

Manager of the Torres Strait Campus, Tropical North QLD Institute of TAFE.

Professor Colleen Hayward
National Congress Board Member

19 March 2010 – 8 July 2011

Current Position

Head, Edith Cowan University Centre for Indigenous Australian Education and Research, Kurongkurl Katitjin

Current Appointments

Member, Gaming and Wagering Commission of Western Australia

Member, WA Ombudsman's Child Death Review Advisory

Member, Ministerial Advisory Council on Child Protection

Previous Positions

Manager of the Kulunga Research Network at the Telethon Institute for Child Health Research

Senior roles at ATSIC and ATSIIS

Deputy Chief Executive Officer of the Aboriginal Legal Service of Western Australia.

Awards

Inducted into the WA Department of Education Hall of Fame for Achievement in Aboriginal Education

NAIDOC Person of the Year, 2008

Directors' report (continued)

National Congress of Australia's First Peoples Limited

Mr Klynton Wanganeen

National Congress Board Member

19 March 2010 – 8 July 2011

Current Position

Commissioner for Aboriginal Engagement in South Australia

Current Appointments

Chair of the Narungga Nations Aboriginal Corporation

Chair, SA Congress of Native Title Committee

Previous Positions

Member, the National VET Indigenous Taskforce

South Australian Zone Commissioner of the Aboriginal and Torres Strait Islander Commission (ATSIC)

Chairman of the Patpa Warra Yunti and Regional Council

State-wide Program Leader Aboriginal Education TAFE SA

Previous Appointments

Chairman of the South Australian Aboriginal Health Partnership

Ms Daphne Yarram

National Congress Board Member

19 March 2010 – current

Current Position

Manager, Yoowinna Wurnalung Healing Service

Current Appointments

Director, Galeenabeek Holdings Corporation

Chairperson, Wurreker Regional Committee

Board Member, Victorian Indigenous Leadership Network

Board Member, Ramahyuck District Aboriginal Corporation

Member, State Wide Steering Committee on Family Violence, Indigenous Rep Committee

Member, Victorian Indigenous Family Violence Partnership Forum

Previous Positions

Chairperson, ATSIC Binjirru Regional Council

Chief Executive Officer – Ramahyuck District Aboriginal Corporation, Sale Victoria

Ms Jody Broun

National Congress Co-Chair

8 July 2011 – current

Current Position

National Congress Co-Chair

Previous Positions/Appointments

Director General, NSW Department of Aboriginal Affairs

Executive Director, Aboriginal Housing and Infrastructure, Department of Housing and Works (WA)

Director of Equal Opportunity in Public Employment (WA)

Executive Director, Policy and Coordination, Aboriginal Affairs Planning Authority (WA)

Awards

National Aboriginal and Torres Strait Islander Art Award, 1998

Canberra Art Award, 2005

Mr Les Malezer

National Congress Co-Chair

8 July 2011 – current

Current Position

National Congress Co-Chair

Current Appointments

Chairperson, Foundation for Aboriginal and Islander Research Action (FAIRA)

Delegate, United Nations – Indigenous Issues

Awards

Australian Human Rights Medal, 2008

National Congress of Australia's First Peoples Limited

Directors' report (continued)

William Brian Butler

National Congress Board Member

8 July 2011 – current

Current Positions

Aboriginal Advocate, Aged Rights Advocacy Service, Adelaide
Consultant

Current Appointments

Member of Board of Management, Reconciliation South Australia Inc
Stolen Generations Alliance

Previous Positions/Appointments

Co-Chairperson, Stolen Generations Alliance
ATSIC South Australian Zone Commissioner
Founding Member, Secretariat of National Aboriginal and Islander Child Care

Awards

Centenary Medal

Venessa Curnow

National Congress Board Member

8 July 2011 – current

Current Positions

National Aboriginal and Torres Strait Islander Liaison Officer, Alzheimer's Australia
Secretariat, National Aboriginal and Torres Strait Islander Dementia Advisory Group

Previous Positions/Appointments

Training and Resource Officer for Indigenous Aged Care Services, Aged Care Qld Inc

Dennis Eggington

National Congress Board Member

8 July 2011 – current

Current Position

CEO, Aboriginal Legal Service of WA

Current Appointments

Adjunct Professor, Curtin University
Member, South West Land and Sea Council
Member, National Legal Assistance Advisory Body
Member, National Aboriginal Justice Advisory Committee
Member, National Aboriginal & Torres Strait Islander Legal Services

Awards

National NAIDOC Person of the Year, 2010
WA Citizen of the Year Indigenous Leadership Award, 2011

Rodney Little

National Congress Board Member

8 July 2011 – current

Current Positions

Chairperson, ACT Aboriginal and Torres Strait Islander Elected Body
Consultant

Current Appointments

Vice President, ACT Council of Social Services
Member, ACT Winnunga Aboriginal Medical Services Board
Member, ACT Local Hospitals Network
Member, ACT Circle Sentencing Panel
Member, ACT Health Council
Member, ANU Indigenous Advisory Group
Member, University of Canberra Indigenous Employment Consultative Group
Council Member, Rural Education Foundation Australia

National Congress of Australia's First Peoples Limited

Directors' report (continued)

Tammy Solonec

National Congress Board Member

8 July 2011 – current

Current Positions

Consultant

Current Appointments

Vice-Chairperson, NAIDOC Perth

Member, National NAIDOC Committee

Vice-Chairperson, Shelter (WA)

Member, Aboriginal Lawyers Committee of the Law Society of WA

Previous Positions/Appointments

Managing Solicitor, Law and Advocacy Unit, Aboriginal Legal Service of WA

Company Secretary

Ms Tania Kearsley

Company Secretary

Qualifications

Bachelor of Laws (Hons) & Masters of Law, Queensland University of Technology

Master of Bioethics, Monash University

Graduate Diploma of Applied Corporate Governance, Chartered Secretaries Australia

Professional Memberships

Member, Chartered Secretaries Australia

Member, Institute of Chartered Secretaries and Administrators

Professional Experience

Experience

Statutory company secretary for a number of organisations for the past three years

Practising lawyer for 20 years: specialist practice advising clients within the research and development sector, including universities, CRCs and independent research institutes.

The above named officers held office during and since the year end of the financial year except where indicated.

Directors' report (continued)

Principal activities

The National Congress of Australia's First Peoples was established in 2010 as a National leader and advocate for Aboriginal and Torres Strait Islander peoples. It is an independent, not-for-profit company limited by guarantee that was incorporated on the 19th April 2010. The Australian Government has allocated \$30 million over 4 years to support the establishment of its operations. The organisation is based in the Sydney suburb of Redfern and has a membership representing all states and territories.

The purpose of the Congress is to:

- Provide national leadership and recognition of the status and of the rights of Aboriginal and Torres Strait Islander people as first nations peoples;
- Protect and advance the wellbeing and rights of Aboriginal and Torres Strait Islander peoples and communities;
- Provide a representative voice of, and a conduit for communications with and between, Aboriginal and Torres Strait Islander peoples;

National Congress of Australia's First Peoples Limited

- Secure economic, political, social, cultural and environmental futures for Aboriginal and Torres Strait Islander peoples and communities by working with governments, service providers, communities and other stakeholders;
- Build strong relationships with government, industry and among Aboriginal and Torres Strait Islander peoples and communities, based on mutual respect and equality; and
- Identify issues, research solutions and educate government service providers and Aboriginal and Torres Strait Islander peoples and communities to achieve the above processes.

Review of operations

The net surplus of the Congress for the financial period ended 30 June 2011 was \$992,806.

The activities of the company for the period ended 30 June 2011 were:

- The establishment of permanent offices at Redfern;
- Development and implementation of internal policies and procedures;
- Recruitment to establish a staffing structure;
- Provision of support to National Board and Ethics Council;
- Development of a strategic plan; and
- Delivering a successful inaugural National Congress and elected Board.

Changes in state of affairs

There was no significant change in the state of affairs of the entity during the financial period.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

Future developments

Disclosure of information regarding likely developments in the operations of the entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the entity. Accordingly, this information has not been disclosed in this report.

Directors' report (continued)

Dividends

Under the terms of the company's constitution it is not entitled to pay dividends.

Indemnification of officers and auditors

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above) and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

National Congress of Australia's First Peoples Limited

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial period and the number of meetings attended by each director (while they were a director or committee member). During the financial period, 22 board meetings were held.

Board of directors

Directors	Eligible to attend	Attended
Sam Jeffries (Co Chair)	22	19
Josephine Bourne (Co Chair)	22	22
Kerry Arabena	22	16
Peter Buckskin	22	20
Ned David	22	15
Colleen Hayward	22	20
Klynton Wanganen	22	21
Daphne Yarram	22	18
Les Malezer	-	-
Jody Broun	-	-
William Brian Butler	-	-
Venessa Curnow	-	-
Dennis Eggington	-	-
Rodney Little	-	-
Tammy Solonec	-	-

Auditor's independence declaration

The auditor's independence declaration is included on page 6 of the annual report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Jody Broun
Sydney, 20 September 2011

The Board of Directors
National Congress of Australia's First Peoples Limited
Level 2,
27-31, Cope Street,
Redfern,
NSW 2016

Dear Board Members

National Congress of Australia's First Peoples Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of National Congress of Australia's First Peoples Limited.

As lead audit partner for the audit of the financial statements of National Congress of Australia's First Peoples Limited for the financial period ended 30 June 2011 I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

DELOITTE TOUCHE TOHMATSU

Gaile Pearce
Partner
Chartered Accountants

Independent Audit Report to the members of National Congress of Australia's First Peoples Limited

We have audited the accompanying financial report of National Congress of Australia's First Peoples Limited, which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 14 to 22.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of National Congress of Australia's First Peoples Limited, would be in the same terms if given to the directors as at the time of the auditor's report.



Auditor's Opinion

In our opinion, the financial report of National Congress of Australia's First Peoples Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the period ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

DELOITTE TOUCHE TOHMATSU

Gaile Pearce
Partner
Chartered Accountants
Sydney,

National Congress of Australia's First Peoples Limited

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

Jody Broun
Sydney, 20 September 2011

National Congress of Australia's First Peoples Limited

Statement of comprehensive income for the financial period ended 30 June 2011

	Note	Period from 19/04/2010 to 30/06/2011 \$
Revenue	4	6,044,165
Community engagement expenses		(972,848)
Governance expenses		(22,300)
Professional services and consulting expenses		(387,403)
National office establishment and operation expenses		(221,682)
Office equipment, supplies and maintenance expenses		(120,991)
Operations of ethics council expenses		(114,687)
Reimbursement AHRC & FAHCSIA expenses		(254,905)
Staff travel expenses		(10,474)
Depreciation expenses		(157,340)
Board member travel and accommodation expenses		(508,624)
Local office establishment. (Board members) expenses		(79,132)
Staff salaries expenses		(891,853)
Board remuneration expenses		(1,309,120)
		<hr/>
Surplus before income tax expense	4	992,806
Income tax expense		-
		<hr/>
Surplus for the financial period		992,806
		<hr/>
Other comprehensive income		-
		<hr/>
Total comprehensive income for the financial period		992,806
		<hr/>

National Congress of Australia's First Peoples Limited

Statement of financial position as at 30 June 2011

	<u>Note</u>	<u>2011</u> <u>\$</u>
Current assets		
Cash and cash equivalents	11(a)	3,795,714
Trade and other receivables	5	<u>3,261</u>
Total current assets		<u>3,798,975</u>
Non-current assets		
Property, plant and equipment	6	<u>911,519</u>
Total non-current assets		<u>911,519</u>
Total assets		<u>4,710,494</u>
Current liabilities		
Trade and other payables	7	3,616,364
Provisions	8	<u>79,625</u>
Total current liabilities		<u>3,695,989</u>
Non-current liabilities		
Provisions	8	<u>21,699</u>
Total non-current liabilities		<u>21,699</u>
Total liabilities		<u>3,717,688</u>
Net assets		<u>992,806</u>
Equity		
Retained surplus	10	<u>992,806</u>
Total equity		<u>992,806</u>

National Congress of Australia's First Peoples Limited

Statement of changes in equity for the financial period ended 30 June 2011

	<u>Note</u>	<u>2011</u> <u>\$</u>
Balance at incorporation		-
Surplus for the financial period	10	<u>992,806</u>
Balance at 30 June 2010		<u>992,806</u>

National Congress of Australia's First Peoples Limited

Statement of cash flows for the financial period ended 30 June 2011

	<u>Note</u>	<u>Period from 19/04/2010 to 30/06/2011 \$</u>
Cash flows from operating activities		
Funding received		9,124,245
Payments to suppliers and employees		(4,337,698)
Interest income received		76,141
Other income		1,885
Net cash provided by operating activities	11(b)	<u>4,864,573</u>
Cash flows from investing activities		
Payments for property, plant and equipment		<u>(1,068,859)</u>
Net cash outflow from investing activities		<u>(1,068,859)</u>
Net increase in cash and cash equivalents		3,795,714
Cash and cash equivalents at incorporation		<u>-</u>
Cash and cash equivalents at the end of the financial period	11(a)	<u>3,795,714</u>

National Congress of Australia's First Peoples Limited

Notes to the financial statements for the financial period ended 30 June 2011

1. General information

National Congress of Australia's First Peoples Limited (the company) is a public company limited by guarantee, incorporated and operating in Australia. The company was incorporated on 19 April 2010 and has prepared its first set of financial statements up to the 30th June 2011.

National Congress of Australia's First Peoples Limited's registered office and its principal place of business are as follows:

Registered office and principal place of business

Level 2,
27-31, Cope Street,
Redfern,
NSW 2016

The entity's principal activity is to operate as a non-profit national leader for recognising the status of Aboriginal and Torres Strait Islander peoples as First Nation peoples.

2. Significant accounting policies

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements were authorised for issue by the directors on 26 August 2011.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Adoption of new and revised Accounting Standards

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

National Congress of Australia's First Peoples Limited

Notes to the financial statements for the financial period ended 30 June 2011

2. Significant accounting policies (continued)

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(b) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Government grants

Government grants are assistance by the government in the form of transfers of resources to the National Congress in return for past or future compliance with certain conditions relating to the operating activities of the entity

Government grants are not recognised until there is reasonable assurance that the Congress will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Interest income

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(c) Income tax

The company does not pay income tax as it qualifies for exemption under the Section 50-5 Income Tax Assessment Act 1997. Consequently the directors consider that no income tax is payable

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(e) Property, plant and equipment

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life.

The following useful lives are used in the calculation of depreciation:

Furniture and fittings	10 years
Software	5 years
Office equipment	4 years
Leasehold improvement	4 years

Notes to the financial statements for the financial period ended 30 June 2011

2. Significant accounting policies (continued)

(f) Impairment of long-lived assets excluding goodwill

At each reporting date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(h) Leased Assets

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

National Congress of Australia's First Peoples Limited

Notes to the financial statements for the financial period ended 30 June 2011

2. Significant accounting policies (continued)

(i) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet effective.

Initial application of the following Standard will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the company's financial report:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ended
• AASB 124 'Related Party Disclosures (revised December 2009)', AASB 2009-12 'Amendments to Australian Accounting Standards'	1 January 2011	30 June 2012
• AASB 9 'Financial Instruments', AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'	1 January 2013	30 June 2014
• AASB 2009-14 'Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement'	1 January 2011	30 June 2012
• AASB 2010-5 'Amendments to Australian Accounting Standards'	1 January 2011	30 June 2012
• AASB 2010-6 'Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets'	1 July 2011	30 June 2012
• AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets'	1 January 2012	30 June 2013

3. Segment information

The activities of the company for the year ended 30 June 2011 were in establishing and promoting the National Congress to be a national leader and advocate for recognising the status of Aboriginal and Torres Strait Islander peoples and First Nation peoples. The directors consider this to be one business segment and all activity takes place within Australia.

National Congress of Australia's First Peoples Limited

Notes to the financial statements for the financial period ended 30 June 2011

4. Surplus from operations

Surplus before income tax has been arrived at after crediting/ (charging) the following items of income and expense:

	Period from 19/04/2010 to 30/06/2011 \$
Income	
Funds received:	
Contributions from funding	5,962,878
Other revenue	5,146
	<u>5,968,024</u>
Interest revenue – bank deposits	76,141
	<u>6,044,165</u>
Expenses	
Community engagement expenses	(972,848)
Governance expenses	(22,300)
Professional services and consulting expenses	(387,403)
National office establishment and operation expenses	(221,682)
Office equipment and maintenance expenses	(120,991)
Operations of ethics council expenses	(114,687)
Reimbursement AHRC & FAHCSIA expenses	(254,905)
Staff travel expenses	(10,474)
Depreciation expenses	(157,340)
Board member travel and accommodation expenses	(508,624)
Local office Est. (Board) expenses	(79,132)
Staff Salaries expenses	(891,853)
Board Remuneration expenses	(1,309,120)
	<u>(5,051,359)</u>

5. Trade and other receivables

	2011 \$
Miscellaneous debtors	1,062
Security deposits	2,199
	<u>3,261</u>

National Congress of Australia's First Peoples Limited

Notes to the financial statements for the financial period ended 30 June 2011

6. Property, plant and equipment

	Furniture & Fittings \$	Software \$	Office Equipment \$	Leasehold Improvements \$	Total \$
Gross carrying amount at cost					
Balance at incorporation	-	-	-	-	-
Additions	177,247	12,022	71,269	808,321	1,068,859
Balance at 30 June 2011	177,247	12,022	71,269	808,321	1,068,859
Accumulated depreciation					
Balance at incorporation	-	-	-	-	-
Depreciation	(11,496)	(1,744)	(12,294)	(131,806)	(157,340)
Balance at 30 June 2011	(11,496)	(1,744)	(12,294)	(131,806)	(157,340)
Net book value					
Balance at incorporation	-	-	-	-	-
Balance at 30 June 2011	165,751	10,278	58,975	676,515	911,519

7. Trade and other payables

	2011 \$
Trade payables and other payables (i)	335,687
Accrued expenses (i)	119,311
Deferred income (ii)	<u>3,161,366</u>
	<u>3,616,364</u>

- (i) The average credit period on payables and accruals is 1 month. No interest is charged on payables and accruals. Ultimate responsibility for liquidity risk management rests with the board of directors, who have an appropriate liquidity risk management framework. The entity manages liquidity risk by maintaining adequate reserves and monitoring actual cash flows.
- (ii) The deferred income represents the proportion of government grant income received and not spent at year end

8. Provisions

	2011 \$
Current	
Employee benefits	<u>79,625</u>
Non-current	
Employee benefits	<u>21,699</u>

National Congress of Australia's First Peoples Limited

Notes to the financial statements for the financial period ended 30 June 2011

9. Members' guarantee

Contributed Equity

The company is a company limited by guarantee. If the company is wound up, the Corporations Act 2001 and the Constitution state that each of the members severally guarantees the liability of the company up to \$100 per member.

10. Retained surplus

	2011
	\$
Balance at incorporation	-
Net surplus attributable to members	<u>992,806</u>
Balance at end of financial period	<u>992,806</u>

11. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2011
	\$
Cash and cash equivalents	<u>3,795,714</u>

(b) Reconciliation of surplus for the period to net cash flows from operating activities

	Period from 19/04/2010 to 30/06/2011
	\$
Surplus for the year	992,806
Depreciation of non- current assets	157,340
<i>Changes in net assets and liabilities:</i>	
(Increase)/decrease in assets:	
Trade and other receivables	(3,261)
Increase/(decrease) in liabilities:	
Current liabilities	<u>3,717,688</u>
Net cash provided by operating activities	<u>4,864,573</u>

National Congress of Australia's First Peoples Limited

Notes to the financial statements for the financial period ended 30 June 2011

12. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(b) Interest rate risk management

The only interest bearing financial assets are cash and term deposits at an average interest rate of 4.75%. All other financial assets and liabilities are non-interest bearing.

(c) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The company measures credit risk on a fair value basis.

The Company does not have any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics.

(d) Fair value of financial instruments

The fair values of financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values.

13. Lease Commitments

	2011 \$
<u>Non-cancellable operating lease commitments</u>	
Not longer than 1 year	75,000
Longer than 1 year and not longer than 5 years	206,250
	<u>281,250</u>

Leasing arrangements

The operating lease relates to property. This lease is a non cancellable lease of less than five-year term, with rent payable monthly in advance. The monthly lease payments are fixed for the term of the lease.

14. Key management personnel compensation

The key management personnel of National Congress of Australia's First Peoples Limited during the financial period were:

Lindon Coombes	CEO
Sam Jeffries	(Co-Chair)
Josephine Bourne	(Co-Chair)
Kerry Arabena	(Director)
Peter Buckskin	(Director)
Ned David	(Director)
Colleen Hayward	(Director)
Klynton Wanganeen	(Director)
Daphne Yarram	(Director)

National Congress of Australia's First Peoples Limited

Notes to the financial statements for the financial period ended 30 June 2011

14. Key management personnel compensation (continued)

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	Period from 19/04/2010 to 30/06/2011 \$
Short-term employee benefits	1,408,527
Post-employment benefits	<u>124,983</u>
	<u><u>1,533,510</u></u>

15. Related party transactions

(a) Key management personnel compensation

Details of key management personnel compensation are disclosed in note 13 to the financial statements.

(b) Transactions with other related parties

The National Congress of Australia's First Peoples Limited is a not for profit charity and does not distribute dividends to any members at any time and, on the winding up of the organisation, any remaining assets are required to be transferred to a similar not for profit entity.

16. Remuneration of auditors

	Period from 19/04/2010 to 30/06/2011 \$
Audit of the financial report	<u>20,000</u>

The auditor of National Congress of Australia's First Peoples Limited is Deloitte Touche Tohmatsu.