

National Congress of Australia's First Peoples Limited

ACN 143 207 587

Annual report for the financial year ended
30 June 2017

National Congress of Australia's First Peoples Limited

Annual Report for the financial year ended 30 June 2017 Contents

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National Congress of Australia's First Peoples Limited

Directors' report

The Directors present their report together with the financial report of the National Congress of Australia's First Peoples Limited for the financial year ended 30 June 2017

The Directors in office during the financial year and until the date of this report are as follows:

Name	Qualifications and Experience	Position and Special Responsibilities	Appointment Term
Jacqueline Gail Huggins	A celebrated historian and author, working and documenting the lives of Aboriginal and Torres Strait Islander people for over 30 years. Received the Member of the Order of Australia for services to the Aboriginal and Torres Strait Islander community (2001). Patron of Reconciliation Qld, First Nations Aboriginal Writers Network, Teralba Park Stolen Generations, National Aboriginal and Torres Strait Islander Women's Alliance; Board member of Telstra Foundation (2004), Qld Centre for Domestic and Family Violence Research (2004).	Director and Co-Chair	27 November 2015 - ongoing
Rodney Keith Little	Elected representative of ACT Aboriginal and Torres Strait Islander Elected Body (from 2008) and Chairperson from 2011 - 2015; member of the Australian Institute of Company Directors; held senior appointments in social policy areas in the public service (Cth and State) for over 30 years; champion for the ACT Human Rights Office 'Diversity in the Territory' campaign, promoting respect and tolerance for multiculturalism and elimination of racism in the ACT; was participating member of National Aboriginal and Torres Strait Islander Mental Health and Suicide Prevention Advisory group and CRC Ninti One – Remote Education Systems research advisory group.	Director and Co-Chair	8 July 2011 - ongoing
Venessa Michelle Curnow	Director, Aboriginal and Torres Strait Islander Health Management Unit, Cairns and Hinterland Health Service with 19 years management experience in the health and aged care; Treasurer Parramatta State School Parents and Citizens Association; former Board Member, Aged Care Standards and Accreditation Agency, and National Aboriginal and Torres Strait Islander Liaison Officer, Alzheimer's Australia.	Director and Chair of the Finance Committee	8 July 2011 - ongoing
Dennis Gordon Eggington	A strong advocate for the advancing the rights of our First Nations Peoples and has been CEO of the Aboriginal Legal Service of WA for over 20 years. A Nyungar man from the south-west region of WA, this former national NAIDOC Person of the Year holds a Master of Human Rights and is widely known and respected for his commitment to human rights and social justice.	Director	26 February 2016 - ongoing

National Congress of Australia's First Peoples Limited

Norma Ingram	Over 35 years serving the interests of Aboriginal communities; Senior Aboriginal Coordinator at TAFE; CEO, Metropolitan Local Aboriginal Land Council and NSW State Aboriginal Land Council; Board member and CEO, Murawina Aboriginal Pre-School; Chairperson, Wyanga Aboriginal Elders Program; Board member, Indigenous Land Corporation, NSW Aboriginal Housing Office and Indigenous Advisory Group, UTS and City of Sydney. Member Australian Institute of Company Directors. World Wide Branding Professional of the Year in Project Management and Education 2016. Masters Degree, Education Harvard University, Diploma Community Services Work.	Director	27 November 2015 - ongoing
Katie Ellen Kiss	Senior Manager with PwCs Indigenous Consulting with over 20 years involved in Aboriginal and Torres Strait Islander affairs at the local, community, state, national and international level. Previously Director, Aboriginal and Torres Strait Islander Social Justice Team, Australian Human Rights Commission; seconded to National Congress of Australia's First Peoples, Director of Strategic Projects developing the Congress International Indigenous Rights Strategy.	Director	27 November 2015 - ongoing
Mark David McMillan	Associate Professor, The University of Melbourne Law School - being the first Indigenous Australian appointed to the faculty (2011); currently working on ARC grants and projects relating to Indigenous nation building; Reconciliation; and Structural Justice; Board Member, Trangie Local Aboriginal Land Council; Director, Annecto and a member and Node Leader of the National Indigenous Research and Knowledges Network.	Director and Member of the Finance Committee	16 August 2013 – 15 May 2017
Gerald Clive Moore	CEO, National Aboriginal and Islander Child Care with 30 years working in areas that have serviced the needs of Aboriginal peoples; former Managing Director, Habitat Personnel; CEO, Aboriginal Legal Services NSW/ACT; ATSIC National Commissioner and Regional Councillor; Chairperson of the Aboriginal Housing Development Committee; CEO, South East Aboriginal Legal Service; Member, NSW Attorney-General Expert Committee on Criminal Justice and has chaired many organisations including Nowra Local Aboriginal Land Council and South Coast Aboriginal Medical Service.	Director	16 August 2013 - ongoing

Company Secretary

Ms Tania Kearsley, LLB (Hons), LLM, MBioethics, GradDipAppCorpGov

National Congress of Australia's First Peoples Limited

Directors' report (continued)

Principal activities

The National Congress of Australia's First Peoples Limited ("Congress") is the national independent representative body for unifying the voices of Aboriginal and Torres Strait Islander peoples of Australia.

Founded in 2010 and guided by traditions of unity, democracy and culture, Congress is owned and controlled by its membership and is independent of Government.

How and what we do

From the strong foundations provided by our constitution, our National Board and the advice of Members, Congress has built a clear picture of our purpose and priorities as an independent organisation which guides all our work. Congress is committed to equality, rights and cultural freedoms for all Aboriginal and Torres Strait Islander peoples, and to a vision that will unite all Australians. Our mandate to pursue the Congress vision is drawn from our growing membership and the needs of our peoples.

Standing up for our rights as First Peoples

Progressing the implementation of the United Nations Declaration on the Rights of Indigenous Peoples, Congress supports the collective rights of Aboriginal and Torres Strait Islander peoples due in recognition of our status as First Peoples. Those rights underpin all the policy and advocacy work of Congress.

Our purpose is to:

- Provide national leadership and recognition of status and rights
- Protect and advance wellbeing and rights
- Provide a representative voice
- Secure political, economic, social, culture and environmental futures
- Build strong relationships
- Identify issues, research solutions and educate to achieve our purpose

We are proud of what Congress has achieved in 2016/2017, including the following highlights:

- Conducted a review of our 2015-2016 Strategic Plan to give further guidance to the work and direction of Congress and to ensure we are progressing our immediate priorities and responding to our longer term initiatives.
- Increased individual membership to nearly 8900 Aboriginal and Torres Strait Islander people nationally, and recruited over 1050 supporters to Friends of Congress, and maintained our organisational membership of 180+ peak, state/territory and local organisations.
- Led the development and launch of the Redfern Statement, in alliance with Aboriginal and Torres Strait Islander leaders from Health, Justice, Children and Families, Disability, Housing, and Family Violence Prevention sectors to call upon Australia's political leaders to recognise the fundamental role of Australia's First Peoples and their community-controlled organisations in solving the root causes of the systemic disadvantage faced by First Peoples. This has strengthened relationships between our peak organisations and the federal government, and has been the catalyst to establish similar relations at state, territory and regional levels.
- Prepared and presented a number of important submissions to parliament, including a Submission to the Productivity Commission draft report on Introducing Competition and Informed User Choice into Human Services; Submission to the Inquiry into Tax Deductible Gift Recipient Reform Opportunities; Submission to the Parliamentary Joint Committee on sections 18C and 18D of the Racial Discrimination Act; and Submission to the Senate Legal and Constitutional Affairs Committee on Indigenous Land Use Agreements.

National Congress of Australia's First Peoples Limited

Directors' report (continued)

- Hosted the UN Special Rapporteur on the Rights of Indigenous Peoples Ms Victoria Tauli-Corpus at Congress as part of her 15-day trip to Australia in March, presenting her with a Briefing Submission on the accountability of the Australian government in meeting the United Nations Declaration on the Rights of Indigenous Peoples through policy-making.
- Represented Aboriginal and Torres Strait Islander peoples at the UN Permanent Forum on the Rights of Indigenous Peoples and the Expert Mechanism on the Rights of Indigenous Peoples (EMRIP).
- Maintained respectful, open and inclusive dialogue with partners and key stakeholders, which has served to progress our credibility as a representative body for Aboriginal and Torres Strait Islander peoples.
- Met regularly with Federal Parliamentarians and State Governments during sitting weeks on matters pertaining to the rights and health and wellbeing of our Peoples, support for National Congress and invitations to meaningful engagement and collaboration.
- Secured a contract with the Commonwealth for \$2.4m for fee-for-service activities over two years that will allow consultation with Aboriginal and Torres Strait Islander people throughout the country, and an additional amount for establishing corporate partnerships.
- Chaired a 2017 Commonwealth Budget roundtable.
- Participated in the Alice Springs Summit on Constitutional Recognition which led to the Uluru Statement of the Heart and subsequent report by the Constitutional Reform Council.
- Visited many communities, organisations and individuals around Australia. Participated in national and international forums, attending and speaking at events such as NAIDOC and Reconciliation Week.
- Met recurrently with Minister Scullion to progress the Redfern Statement agenda and in particular a genuine and meaningful engagement with government and parliament.
- Consulted with Prime Minister Turnbull and opposition leader Bill Shorten to strengthen relationships and maintain pressure on the Australian Government to uphold its responsibilities to ensure that Aboriginal and Torres Strait Islander people have access to an acceptable standard of human services.
- Continued our efforts to ensure the sustainability of Congress through streamlined staffing and operational restraints, identifying and developing alternative sources of income through the recruitment of a Corporate Partnerships Manager.

Performance measures

Based on Congress Strategic Plan, the National Board monitored the implementation of the approved 2015/2016 budget and organisational work plan inclusive of comprehensive milestones, setting out targeted desired objectives against the key strategic priorities. These milestones were regularly monitored by management to measure organisational performance with results reported to the National Board.

Operating results

The net surplus (deficit) of the Congress for the financial year ended 30 June 2017 was (\$487,200) (2016: \$49,489). Total equity as at 30 June 2017 stood at \$1,168,302 (2016: \$1,655,502). The cash balance including term deposits was \$1,656,481 as at 30 June 2017 (2016: \$2,044,456).

Changes in state of affairs

There was no significant change in the state of affairs of the Congress during the financial year.

National Congress of Australia's First Peoples Limited

Directors' report (continued)

Subsequent events

Subsequent to year ended 30 June 2017, Congress received one-off funding from the Prime Minister and Cabinet (PM&C) for a new Culture and Capability Project. There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Congress, the results of those operations, or the state of affairs of the Congress in future financial years.

Future developments

The Directors do not expect any changes in Congress' operations in the foreseeable future. Recent grant funding arrangements expired on 30 June 2017. Congress' National Board has conducted a number of scenario-planning sessions to determine how future operations shall be continued in light of the significant funding reductions. The National Board has also embarked on a fundraising strategy in pursuit of alternative funding sources.

Dividends

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

Members' guarantee

Congress is a company limited by guarantee without share capital. In the event of the company being wound up, each member undertakes to contribute an amount not exceeding one hundred dollars to cover costs, charges and expenses of winding up.

Indemnification of officers and auditors

During the financial year, the company insured the directors (as named above) and all executive officers of the company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Australian Charities and Not-For-Profits Commission Act 2012. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Congress has not otherwise, during or since the end of the financial year, 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.

Directors' Meetings

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

During the financial year, 8 Board meetings and nil Finance Committee meetings were held.

	National Board Meetings	
	Eligible to attend	Attended
Jackie Huggins	8	8
Rod Little	8	8
Venessa Curnow	8	8
Dennis Eggington	8	5
Norma Ingram	8	7
Gerry Moore	8	5
Katie Kiss	8	6
Mark McMillan [ceased 15/05/17]	8	5

National Congress of Australia's First Peoples Limited

Auditors' independence declaration

The auditor's independence declaration is included on page 9 and forms part of the Directors' report for the financial year ended 30 June 2017.

This directors' report is signed in accordance with the resolution of directors.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Rodney Little', with a small dot at the end.

Rodney Little
26 October 2017
Sydney, NSW

The Board of Directors
National Congress of Australia's First Peoples Limited
571 Elizabeth Street
Redfern NSW 2016

26 October 2017

Dear Board Members

National Congress of Australia's First Peoples Limited

In accordance with Subdivision 60-C *Australian Charities and Not-for-profits Commission Act 2012*, 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 year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Gaile Timperley
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

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

Opinion

We have audited the financial report of National Congress of Australia's First Peoples Limited (the "Entity") which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 12 to 28.

In our opinion, the accompanying financial report of the Entity, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the ACNC Act), including:

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the directors' report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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



DELOITTE TOUCHE TOHMATSU



Gaile Timperley
Partner
Chartered Accountants
Sydney, 26 October 2017

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; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Charitable Fundraising Act 1991 (NSW)* 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 board members made pursuant to s.60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

On behalf of the Directors



Rodney Little
26 October 2017
Sydney, NSW

Declaration by the Board of Directors in respect of fundraising appeals

In the opinion of the Board of Directors:

- (a) the financial statements for the year ended 30 June 2017 give a true and fair view of all income and expenditure of National Congress of Australia's First Peoples Limited with respect to fundraising appeals; and the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- (b) the provisions of the *Charitable Fundraising Act 1991 (NSW)* and the regulations under that Act and the conditions attached to the authority have been complied with.
- (c) The internal controls exercised by National Congress of Australia's First Peoples Limited are appropriate and effective in accounting for all income received from any fundraising appeals and the application thereof.

On behalf of the Directors



Rodney Little
26 October 2017
Sydney, NSW

National Congress of Australia's First Peoples Limited

Statement of profit or loss and other comprehensive income for the financial year ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue	4	1,106,128	2,249,914
Investment income	4	22,589	70,271
Board remuneration		(388,128)	(625,578)
Board travel and accommodation expenses		-	(2,116)
National board expenses		(21,893)	(45,820)
Governance expenses		(50,746)	(126,730)
Ethics council expenses		-	(23,542)
National Congress meeting expenses		-	(122,477)
Staff salaries	4	(564,673)	(658,579)
Operational expenses		(303,191)	(358,156)
Community engagement expenses		(36,799)	(36,983)
Congress events expenses		(194,306)	(82,376)
Policy and advocacy expenses		(320)	(87,890)
Depreciation and amortisation	4	(55,861)	(100,449)
(Deficit)/surplus before income tax expense		(487,200)	49,489
Income tax expense		-	-
(Deficit)/surplus for the financial year		(487,200)	49,489
Other comprehensive income		-	-
Total comprehensive (loss)/income for the financial year		(487,200)	49,489

Notes to the financial statements are included on pages 17 to 28.

National Congress of Australia's First Peoples Limited

Statement of financial position as at 30 June 2017

	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	12(a)	1,656,481	2,044,456
Trade and other receivables	5	23,445	59,474
Total current assets		1,679,926	2,103,930
Non-current assets			
Property, plant and equipment	6	7,400	114,091
Intangible assets	7	1,500	4,125
Total non-current assets		8,900	118,216
Total assets		1,688,826	2,222,146
Current liabilities			
Trade and other payables	8	473,731	466,647
Provisions	9	41,351	42,909
Total current liabilities		515,082	509,556
Non-current liabilities			
Provisions	9	5,442	57,088
Total non-current liabilities		5,442	57,088
Total liabilities		520,524	566,644
Net assets		1,168,302	1,655,502
Equity			
Retained surplus	11	1,168,302	1,655,502
Total equity		1,168,302	1,655,502

Notes to the financial statements are included on pages 17 to 28.

National Congress of Australia's First Peoples Limited

Statement of changes in equity for the financial year ended 30 June 2017

	Note	Retained Surplus \$
	<u> </u>	<u> </u>
Balance as at 1 July 2016		1,606,013
Surplus for the financial year		<u>49,489</u>
Balance as at 30 June 2016		<u>1,655,502</u>
Deficit for the financial year	11	<u>(487,200)</u>
Balance as at 30 June 2017		<u>1,168,302</u>

Notes to the financial statements are included on pages 17 to 28.

National Congress of Australia's First Peoples Limited

Statement of cash flows for the financial year ended 30 June 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Funding received		1,038,842	-
Payments to suppliers and employees		(1,592,261)	(2,158,616)
Other income received		128,451	49,293
Net cash used in operating activities	12(b)	(424,967)	(2,109,323)
Cash flow from investing activities			
Interest income received		26,096	76,787
Proceeds from sale of property, plant and equipment		12,050	
Payments for property, plant and equipment		(1,153)	(4,352)
Net cash inflow from investing activities		36,993	72,435
Net decrease in cash and cash equivalents		(387,975)	(2,036,888)
Cash and cash equivalents at the beginning of the financial year		2,044,456	6,329,809
Cash and cash equivalents at the end of the financial year	12(a)	1,656,481	2,044,456

Notes to the financial statements are included on pages 17 to 28.

National Congress of Australia's First Peoples Limited

Notes to the financial statement for the financial year ended 30 June 2017

1. General Information

National Congress of Australia's First Peoples Limited ("Congress") is a public company limited by guarantee, incorporated and operating in Australia.

Congress' registered office and its principal place of business are as follows:

Level 2,
27-31 Cope Street
Redfern NSW 2016

The National Congress of Australia's First Peoples Limited ("the Congress") is the national independent representative body for unifying the voices of Aboriginal and Torres Strait Islander peoples of Australia.

2. Significant accounting policies

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.

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012, Accounting Standards and Interpretations, and comply with other requirements of the law.

Accounting Standards include Australian Accounting Standards. The financial report complies with IFRS except for the specific requirements relating to not-for-profit entities.

The financial statements were authorised for issue by the directors on 27 October 2017.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for certain financial instruments that are measured at 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 judgments and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgments, 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.

National Congress of Australia's First Peoples Limited

Notes to the financial statement (continued)

2. Significant accounting policies (continued)

There are no critical accounting judgment and key sources of estimation that would materially affect the financial statements.

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 Congress in return for past or future compliance with certain conditions relating to the operating activities of Congress.

Government grants are not recognised until there is reasonable assurance that 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 Congress recognises as expenses the related costs for which the grants are intended to compensate.

Interest income

Interest income 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.

Donations

Donation income is recognised as received.

c. Income tax

Congress 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.

National Congress of Australia's First Peoples Limited

Notes to the financial statement (continued)

2. Significant accounting policies (continued)

e. Property, plant and equipment

Property, plant and equipment are carried at cost. Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost 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

f. Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

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

Logos	4 years
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g. Impairment of long-lived assets

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.

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.

National Congress of Australia's First Peoples Limited

Notes to the financial statement (continued)

2. Significant accounting policies (continued)

h. Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service 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 Congress in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

i. 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.

j. Financial assets

Trade receivables, loans and other receivables are recorded at amortised cost less impairment. Interest is recognised by applying the effective interest rate.

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 (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

National Congress of Australia's First Peoples Limited

Notes to the financial statement (continued)

2. Significant accounting policies (continued)

k. Standards and interpretations in issue not yet adopted

At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet adopted by National Congress of Australia's First Peoples Limited. The potential effect of the revised Standards and Interpretations on National Congress of Australia's First Peoples Limited's financial statements has not yet been determined.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
• AASB 16 'Leases'	1 January 2019	30 June 2020
• AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities	1 January 2019	30 June 2020
• AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	1 January 2019	30 June 2020
• AASB 1058 Income of Not-for-Profit Entities	1 January 2019	30 June 2020

National Congress of Australia's First Peoples Limited

Notes to the financial statement (continued)

3. Segment information

The company's operations for the year ended 30 June 2017 was to be a national leader and advocate for recognising the status of Aboriginal and Torres Strait Islander Peoples in Australia. The Directors consider this to be one business segment and all activity takes place within Australia.

4. Surplus from operations

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

	2017 \$	2016 \$
Revenue		
Contributions from funding received in the current year	748,767	-
Recognition of funding received in prior years	278,714	2,174,548
Donations received	39,796	20,414
Other revenue	38,851	54,952
	1,106,128	2,249,914
Investment income		
Interest revenue – bank deposits	22,589	70,271
Expenses		
Depreciation	53,236	97,824
Amortisation	2,625	2,625
	55,861	100,449
Staff salaries:		
Short-term employee benefits	527,243	606,758
Defined contribution plan	37,430	51,821
Post-employment benefits	-	-
	564,673	658,579

5. Trade and other receivables

	2017 \$	2016 \$
Miscellaneous debtors	11,080	53,817
Security deposits	10,714	500
Interest	1,651	5,157
Prepayments	-	-
	23,445	59,474

National Congress of Australia's First Peoples Limited

Notes to the financial statement (continued)

6. Property, plant and equipment

	Furniture & Fittings \$	Software \$	Office Equipment \$	Leasehold Improvements \$	Total \$
Gross carrying amount at cost					
Balance at 1 July 2016	244,566	39,983	205,176	855,102	1,344,827
Additions	-	-	1,153	-	1,153
Disposals	(71,035)	-	(6,457)	-	(77,492)
Balance at 30 June 2017	173,531	39,983	199,872	855,102	1,268,488
Accumulated depreciation					
Balance at 1 July 2016	(184,797)	(35,137)	(180,976)	(829,826)	(1,230,736)
Depreciation	(26,485)	(2,663)	(24,088)	(25,276)	(78,512)
Depreciation on disposal	42,744	-	5,416	-	48,160
Balance at 30 June 2017	(168,538)	(37,800)	(199,648)	(855,102)	(1,261,088)
Net book value					
Balance at 1 July 2016	59,769	4,846	24,200	25,276	114,091
Balance at 30 June 2017	4,993	2,183	224	-	7,400

	Furniture & Fittings \$	Software \$	Office Equipment \$	Leasehold Improvements \$	Total \$
Gross carrying amount at cost					
Balance at 1 July 2015	244,566	39,983	200,824	855,102	1,340,475
Additions	-	-	4,352	-	4,352
Balance at 30 June 2016	244,566	39,983	205,176	855,102	1,344,827
Accumulated depreciation					
Balance at 1 July 2015	(124,891)	(31,055)	(147,140)	(829,826)	(1,132,912)
Depreciation	(59,906)	(4,082)	(33,836)	-	(97,824)
Balance at 30 June 2016	(184,797)	(35,137)	(180,976)	(829,826)	(1,230,736)
Net book value					
Balance at 1 July 2015	119,675	8,928	53,684	25,276	207,563
Balance at 30 June 2016	59,769	4,846	24,200	25,276	114,091

National Congress of Australia's First Peoples Limited

Notes to the financial statement (continued)

7. Intangible assets

	Logo \$	Total \$
Gross carrying amount at cost		
Balance at 1 July 2016	10,500	10,500
Additions	-	-
Balance at 30 June 2017	10,500	10,500
Accumulated amortisation		
Balance at 1 July 2016	(6,375)	(6,375)
Amortisation	(2,625)	(2,625)
Balance at 30 June 2017	(9,000)	(9,000)
Net book value		
Balance at 1 July 2016	4,125	4,125
Balance at 30 June 2017	1,500	1,500
	Logo \$	Total \$
Gross carrying amount at cost		
Balance at 1 July 2015	10,500	10,500
Additions	-	-
Balance at 30 June 2016	10,500	10,500
Accumulated amortisation		
Balance at 1 July 2015	(3,750)	(3,750)
Amortisation	(2,625)	(2,625)
Balance at 30 June 2016	(6,375)	(6,375)
Net book value		
Balance at 1 July 2015	6,750	6,750
Balance at 30 June 2016	4,125	4,125

National Congress of Australia's First Peoples Limited

Notes to the financial statement (continued)

8. Trade and other payables

	2017 \$	2016 \$
Trade payables and other payables (i)	167,714	161,158
Accrued expenses (i)	31,017	26,775
Deferred income (ii)	275,000	278,714
	<u>473,731</u>	<u>466,647</u>

- (i) The average credit period on payables and accruals is one 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. This relates to income for services not yet provided at year end.

9. Provisions

	2017 \$	2016 \$
Current		
Employee benefits	<u>41,351</u>	<u>42,909</u>
Non-Current		
Employee benefits	5,442	7,874
Make good of office lease	-	49,214
	<u>5,442</u>	<u>57,088</u>

10. Members' guarantee

Congress is a company limited by guarantee. If the company is wound up, the *Australian Charities and Not-for-profits Commission Act 2012* and the Constitution states that each of the members severally guarantees the liability of the company up to \$100 per member. As at 30 June 2017, there were 9,874 members and friends of the company (2016: 8,822).

11. Retained surplus

	2017 \$	2016 \$
Balance at beginning of year	1,655,502	1,606,013
Net (deficit) / surplus attributable to members	<u>(487,200)</u>	<u>49,489</u>
Balance at end of financial year	<u>1,168,302</u>	<u>1,655,502</u>

National Congress of Australia's First Peoples Limited

Notes to the financial statement (continued)

12. 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. Cash and cash an equivalent at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2017 \$	2016 \$
Cash at bank	1,150,224	494,456
Interest bearing deposits	506,257	1,550,000
	1,656,481	2,044,456

b. Reconciliation of (deficit) / surplus for the year to net cash flows from operating activities

	2017 \$	2016 \$
Surplus for the year	(487,200)	49,489
Depreciation and amortisation	81,137	100,449
Interest income received and receivable	(26,095)	(76,787)
Loss on disposal of asset	17,282	-
<i>Changes in net assets and liabilities</i>		
<i>(Increase)/decrease in assets:</i>		
Trade and other receivables	36,029	(9,920)
<i>(Decrease)/increase in liabilities:</i>		
Trade and other payables	7,084	(2,137,121)
Current provisions	(1,558)	(32,704)
Non-current provisions	(51,646)	(2,729)
Net cash used in operating activities	(424,967)	(2,109,323)

13. 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 at an average interest rate of 0.83% and the term deposit at a fixed rate of 2.42%. All other financial assets and liabilities are non-interest bearing.

National Congress of Australia's First Peoples Limited

Notes to the financial statement (continued)

13. Financial instruments (continued)

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 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 approximate their fair values.

14. Lease commitments

	2017	2016
	\$	\$
<u>Non-cancellable operating lease commitments</u>		
Not longer than 1 year	71,590	-
Longer than 1 year and not longer than 5 years	121,883	-
	<u>193,473</u>	<u>-</u>

15. Key management personnel compensation

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

Geoffrey Scott	CEO (resigned 26 September 2016)
Gary Oliver	CEO (appointed 27 February 2017)
Venessa Michelle Curnow	Director and Chair of the Finance Committee
Rodney Keith Little	Director and Co-Chair and Chair of the Remuneration Committee
Mark David McMillan	Director and Member of the Finance Committee (resigned 15 May 2017)
Gerald Clive Moore	Director (appointed 16 August 2013)
Norma Ingram	Director (appointed 27 November 2015)
Jackie Huggins	Director and Co-Chair (appointed (27 November 2015)
Katie Kiss	Director (appointed 27 November 2015)
Dennis Eggington	Director (appointed 2 February 2016)

National Congress of Australia's First Peoples Limited

Notes to the financial statement (continued)

15. 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:

	2017	2016
	\$	\$
Short-term employee benefits	354,455	801,458
Post-employment benefits	33,673	64,208
	388,128	865,666

16. Related party transactions

a. Key management personnel compensation

Details of key management personnel compensation are disclosed in note 15 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.

17. Additional information required under the *Charitable Fundraising Act 1991*

Information and declaration to be finalised under the Charitable Fundraising Act, 1991. Details of aggregate gross income and total expenses of fundraising appeals:

	2017	2016
	\$	\$
Gross proceeds from fundraising appeals	39,796	20,414

18. Remuneration of auditors

	2017	2016
	\$	\$
Audit of the financial report	20,000	20,000
Other non-audit services	-	5,500
	20,000	25,500

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