TOP END ASSOCIATION FOR MENTAL HEALTH INCORPORATED

Annual Report for the financial year ended 30 June 2015

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Board of Management's Report

The Board of Management of the Top End Association For Mental Health Incorporated (the "Association") submit herewith the annual report of the Association for the financial year ended 30 June 2015. In order to comply with the provisions of the *Associations Act (NT)* and the *Australian Charities and Not-for-Profit Commission Act 2012*, the Board of Management reports as follows:

The names of the members of the Board of Management of the Association during or since the end of the financial year are:

- Markus Spazzapan - Chairperson;
- Janet Hanigan - Deputy Chairperson
- MunLi Chee - Treasurer (Resigned in April 2015)
- Amin Islam - Treasurer (Appointed in June 2015)
- Rebecca Cardos - Secretary (Resigned in February 2015)
- Toni Vine Bromley - Public Officer
- David Chapman - Board Member
- David Malone - Board Member (Appointed in June 2015)

Principal activities
The principal activity of the Association during the financial year was to provide a range of mental health and aged care services.

Review of operations
The Association's net operating surplus for the financial year ended 30 June 2015 amounted to $293,358 (2014: $206,680). The net assets of the Association are $6,050,226 (2014: $5,136,925).

Changes in state of affairs
There were no significant changes in the state of affairs of the Association during the financial year.

This statement is made in accordance with a resolution of the Board of Management and is signed for and on behalf of the Board of Management by;

On behalf of the Board of Management:

Dated: 29 September 2015

....

Markus Spazzapan
Chairperson
5/62 Cavenagh Street
DARWIN NT 0800

Dated: 29 September 2015

....

Janet Hanigan
Deputy Chairperson
5/62 Cavenagh Street
DARWIN, NT 0800

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Independent Auditor's Report to the members of Top End Association for Mental Health Incorporated

We have audited the accompanying financial report, being a special purpose financial report of Top End Association for Mental Health Incorporated (the "entity"), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Board of Management's declaration as set out on pages 5 to 18.

The Board of Management's Responsibility for the Report

The Board of Management of the entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Associations Act (NT)* and the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* (the ACNC Act) and the needs of the members. The Board of Management's responsibility also includes such internal control as Board of Management 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.

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 Board of Management, 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.

Opinion

In our opinion, the financial report of Top End Association for Mental Health Incorporated is in accordance with the Associations Act (NT) and Division 60 of the ACNC Act, including:

(a) giving a true and fair view of Top End Association for Mental Health Incorporated's financial position as at 30 June 2015 and of its performance and cash flows for the year ended on that date; and

(b) complying with Australian Accounting Standards to the extent described in Note 1, the Associations Act (NT) and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Top End Association for Mental Health Incorporated to meet the financial reporting requirements under the Associations Act (NT) and the ACNC Act. As a result, the financial report may not be suitable for another purpose.

Other Matters

The financial report of Top End Association For Mental Health Incorporated for the year ended 30 June 2014 was audited by another auditor who expressed an unmodified opinion on that financial report on 7 October 2014.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

L C Girolamo
Partner
Chartered Accountants
Darwin, 29 September 2015

Board of Management's Declaration

As detailed in Note 3 to the financial statements, the Association is not a reporting entity because in the opinion of the Board of Management there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Board of Management's reporting requirements under the Associations Act (NT) and the Australian Charities and Not-for-Profit Commission Act 2012.

The Board of Management declare that:

(a) the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association;
(b) in the Board of Management's opinion, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable; and
(c) in the Board of Management's opinion, the attached financial statements and notes thereto are in accordance with the Associations Act (NT) and the Australian Charities and Not-for-Profit Commission Act 2012, including compliance with accounting standards and presenting fairly the financial position and performance of the Association.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

On behalf of the Board of Management:

Dated: 29 September 2015

....

Markus Spazzapan
Chairperson
5/62 Cavenagh Street
DARWIN NT 0800

Dated: 29 September 2015

....

Janet Hanigan
Deputy Chairperson
5/62 Cavenagh Street
DARWIN, NT 0800

Statement of profit or loss and other comprehensive income for the year ended 30 June 2015

	Note	Year ended 30 June 2015 $	Year ended 30 June 2014 $
Revenue	4	6,095,400	6,144,107
Other income	4	236,547	103,420
Employee benefits expense	4	(3,954,692)	(3,991,217)
Operation expenses		(539,658)	(551,490)
Vehicle expenses		(229,473)	(234,767)
Travel expenses		(60,625)	(88,424)
IT expenses		(77,732)	(91,033)
Premises expenses		(452,154)	(390,580)
Client support services		(196,001)	(268,214)
Depreciation		(342,427)	(254,224)
Amortisation		(11,270)	(15,590)
Finance costs		(33,519)	(32,104)
Low value assets <$5,000		(141,038)	(123,204)
Surplus for the year		**293,358**	**206,680**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of property	6, 11	619,943	-
Other comprehensive income for the year		**619,943**	**-**
Total comprehensive income for the year		**913,301**	**206,680**

Notes to the financial statements are included on pages 10 to 18.

Statement of financial position as at 30 June 2015

	Note	2015 $	2014 $
Current assets			
Cash and cash equivalents	13(a)	4,056,606	2,799,446
Trade and other receivables		82,018	26,904
Other assets	5	202,227	197,563
Total current assets		**4,340,851**	**3,023,913**
Non-current assets			
Property, plant and equipment	6	4,075,572	3,489,687
Intangible assets		6,500	43,422
Total non-current assets		**4,082,072**	**3,533,109**
Total assets		**8,422,923**	**6,557,022**
Current liabilities			
Trade and other payables	7	523,110	299,296
Borrowings	8	139,364	81,770
Provisions	9	158,457	147,772
Deferred revenue	10	1,286,315	565,079
Total current liabilities		**2,107,246**	**1,093,917**
Non-current liabilities			
Borrowings	8	187,342	272,728
Provisions	9	78,109	53,452
Total non-current liabilities		**265,451**	**326,180**
Total liabilities		**2,372,697**	**1,420,097**
Net assets		**6,050,226**	**5,136,925**
Equity			
Reserves	11	1,989,186	1,369,243
Retained earnings	12	4,061,040	3,767,682
Total equity		**6,050,226**	**5,136,925**

Notes to the financial statements are included on pages 10 to 18.

Statement of changes in equity for the year ended 30 June 2015

	Note	Reserves $	Retained earnings $	Total $
Balance as at 1 July 2013		1,369,243	3,561,002	4,930,245
Surplus for the year		-	206,680	206,680
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	206,680	206,680
Balance at 30 June 2014		**1,369,243**	**3,767,682**	**5,136,925**
Surplus for the year		-	293,358	293,358
Other comprehensive income for the year		619,943	-	619,943
Total comprehensive income for the year		619,943	293,358	913,301
Balance at 30 June 2015		**1,989,186**	**4,061,040**	**6,050,226**

Notes to the financial statements are included on pages 10 to 18.

Statement of cash flows
for the year ended 30 June 2015

	Note	Year ended 30 June 2015 $	Year ended 30 June 2014 $
Cash flows from operating activities			
Grants received		6,398,401	5,437,363
Other income received		370,402	662,115
Payments to suppliers and employees		(5,360,065)	(5,464,927)
Interest received		125,838	102,349
Interest and other costs of finance paid		(33,519)	(32,104)
Net cash provided by operating activities	13(b)	**1,501,058**	**704,796**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		115,617	12,274
Payments for property, plant and equipment		(325,224)	(206,026)
Payments for intangible assets		(6,500)	(5,250)
Net cash used in investing activities		**(216,106)**	**(199,002)**
Cash flows from financing activities			
Repayment of borrowings		(27,792)	(72,688)
Net cash used in financing activities		**(27,792)**	**(72,688)**
Net increase in cash and cash equivalents		1,257,160	433,106
Cash and cash equivalents at the beginning of the financial year		2,799,446	2,366,340
Cash and cash equivalents at the end of the financial year	13(a)	**4,056,606**	**2,799,446**

Notes to the financial statements are included on pages 10 to 18.

1. General information

Top End Association for Mental Health Incorporated is an Association, incorporated under the *Northern Territory's Associations Act and Regulations* and the *Australian Charities and Not-for-Profits Commission Act 2012*. Top End Association for Mental Health Incorporated's registered office and its principal place of business are as follows:

Registered office
Level 5, 62 Cavenagh Street
Darwin, NT, 0800

Principal place of business
Level 5, 62 Cavenagh Street
Darwin, NT, 0800

The principal activities of the Association during the financial year were to provide a range of mental health and aged care services.

2. Application of new and revised Accounting Standards

In the current year, the Association 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. The adoption of these new and revised Standards and Interpretations has resulted in no significant changes to the Association's accounting policies.

A number of Australian Accounting Standards and Interpretations are in issue but are not effective for the current year end. The reported results and position of the Association will not change on adoption of these pronouncements as they do not result in any changes to the Association's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The Association does not intend to adopt any of these pronouncements before their effective dates.

3. Significant accounting policies

Financial reporting framework
The Association is not a reporting entity because in the opinion of the Board of Management there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the Board of Management's reporting requirements under the *Associations Act (NT)* and the *Australian Charities and Not for Profits Commission Act 2012*.

For the purposes of preparing the financial statements, the Association is a not-for-profit entity.

Statement of compliance
The financial statements have been prepared in accordance with the *Associations Act (NT)* and the *Australian Charities and Not for Profits Commission Act 2012*, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', and AASB 1054 'Australian Additional Disclosures'.

Basis of preparation
The financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Association takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 'Inventories' or value in use in AASB 136 'Impairment of Assets'.

3. Significant accounting policies (cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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

(a) Taxation

The Association is considered to be exempted from income tax under section 50-10 of the *Income Tax Assessment Act 1997.*

(b) Revenue

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

(i) Grants
Grants revenue is recognised in the statement of profit or loss and other comprehensive income when the Association obtains control of the grant and it is probable that the economic benefits gained from the grant with flow to the Association and the amount of the grant can be measured reliably.

(ii) Rent Received
Rental income is recognised in the statement of profit and loss and other comprehensive income on a straight-line basis over the term of the lease.

(iii) Interest Income
Interest income is recognised when accrued and is included in the "Other Income" item in the statement of profit and loss and other comprehensive income.

(iv) Other Income
In addition to interest income at (iii) other income comprises items that are secondary compared to the organisation's principal activities and includes Donations and Profits from the disposal of assets. Other income, which is recognised when it is received, is recognised in the statement of profit and loss and other comprehensive income.

(c) Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

<u>Association as lessor</u>
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

<u>Association as lessee</u>
Assets held under finance leases are initially recognised as assets of the Association at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Association's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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.

3. Significant accounting policies (cont'd)

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(d) Goods and Services Tax

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.

(e) Financial instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

The effective interest method is a method of calculating the amortised cost of a debt instrument 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 debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities

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

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

3. Significant accounting policies (cont'd)

(f) Employee benefits

Short-term and long-term 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 in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to reporting date.

Retirement benefits costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions

(g) Property, plant and equipment

Land and buildings held for use in the supply of services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Freehold land is not depreciated.

Plant and equipment is stated at cost less accumulated depreciation and impairment.

New property, plant and equipment acquired during the year with a value of less than $5,000 are expensed in the profit and loss. They are maintained in a low value asset register.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Class of fixed assets	Depreciation rates
Plant and equipment	13.00% - 33.33%
Motor vehicles	20.00% - 33.33%
Buildings	2.50%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. Significant accounting policies (cont'd)

(h) 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.

(i) Impairment of tangible and intangible assets other than goodwill

At each reporting date, the Association reviews the carrying amounts of its tangible and intangible 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 Association estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

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. All impairment losses are 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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase

(j) Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

(k) Critical accounting judgments and key sources of estimation uncertainty

In the application of the Association's accounting policies, which are described in Note 3, the Board of Management of the Association are required to make judgments, estimates and assumptions about carrying amount 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.

4. Surplus for the year

Surplus for the year has been arrived at after crediting / (charging):

	Year ended 30 June 2015 $	Year ended 30 June 2014 $
4.1 Revenue		
Grants		
Northern Territory Health Service grants	2,369,316	2,272,704
Commonwealth grants	4,067,464	3,813,242
Other grants	-	1,836
Net grant revenue carried forward	(759,615)	(384,222)
Total grants	**5,677,165**	**5,703,560**
Other		
Rent	398,379	402,916
Sales – HCP charges	19,856	17,668
Sales – others	-	19,963
Total revenue	**6,095,400**	**6,144,107**
4.2 Other Income		
Bank interest income	125,838	96,201
Donations	11,946	6,785
Profit on disposal of assets	98,763	434
Total other income	**236,547**	**103,420**
4.3 Employee benefits expense		
Post-employment Benefits		
Defined contribution plans	(301,192)	(296,458)
Termination benefits	(15,643)	(153,316)
Other employee benefits	(3,637,858)	(3,541,441)
Total employee benefits expense	**(3,954,692)**	**(3,991,217)**

5. Other assets

	2015 $	2014 $
Prepaid expenses	182,383	171,457
Other	19,844	26,106
Total other assets	**202,227**	**197,563**

6. Property, plant and equipment

	2015					
	Prescribed Land at fair value	Prescribed Buildings at fair value	Leasehold Improvements at cost	Plant and Equipment at cost	Motor Vehicles at cost	Total
	$	$	$	$	$	$
Cost/Valuation						
Balance at beginning of year	1,645,000	1,385,000	29,242	491,488	1,161,410	4,712,140
Additions	-	-	-	95,525	229,699	325,224
Disposals	-	-	-	(253,182)	(278,297)	(531,479)
Revaluations	366,957	78,043	-	-	-	445,000
Balance at end of year	**2,011,957**	**1,463,043**	**29,242**	**333,831**	**1,112,812**	**4,950,885**
Less: Accumulated depreciation						
Balance at beginning of year	-	132,492	5,848	475,648	608,465	1,222,453
Depreciation	-	42,451	2,924	18,392	278,659	342,426
Disposals	-	-	-	(253,182)	(261,441)	(514,623)
Revaluations	-	(174,943)	-	-	-	(174,943)
Balance at end of year	**-**	**-**	**8,772**	**240,858**	**625,683**	**875,313**
Net book value	**2,011,957**	**1,463,043**	**20,470**	**92,973**	**487,129**	**4,075,572**

	2014					
	Prescribed Land at fair value	Prescribed Buildings at fair value	Leasehold Improvements at cost	Plant and Equipment at cost	Motor Vehicles at cost	Total
	$	$	$	$	$	$
Cost/Valuation						
Balance at beginning of year	1,645,000	1,385,000	29,242	491,488	877,253	4,427,983
Additions	-	-	-	-	326,762	326,762
Disposals	-	-	-	-	(42,605)	(42,805)
Balance at end of year	**1,645,000**	**1,385,000**	**29,242**	**491,488**	**1,161,410**	**4,712,140**
Less: Accumulated depreciation						
Balance at beginning of year	-	90,727	2,924	467,746	437,576	998,973
Depreciation	-	41,765	2,924	7,902	201,633	254,224
Disposals	-	-	-	-	(30,744)	(30,744)
Balance at end of year	**-**	**132,492**	**5,848**	**475,648**	**608,465**	**1,222,453**
Net book value	**1,645,000**	**1,252,508**	**23,394**	**15,840**	**552,945**	**3,489,687**

Encumbrances

Grant funding used for the purchase of Land and Buildings (prescribed) was given to the Association on the condition that the Association shall not sell, encumber or otherwise deal with the Properties in any manner without the written consent of the of the Northern Territory Government Chief Executive Officer (Housing).

Fair value measurement of the Association's prescribed land and buildings

The three properties that comprise prescribed land and buildings were valued in May 2015 by an external valuer, McGees Property. The methodology used was the capitalisation approach for one property and the direct comparison approach for the other two properties. The gain arising on revaluation in the current year has been taken directly to reserves.

7. Trade and other payables

	2015	2014
	$	$
Trade payables	230,465	60,583
Other creditors and accruals	254,141	208,126
Good and services tax payable / (recoverable)	458	(15,672)
PAYG tax payable	38,046	46,259
	523,110	**299,296**

8. Borrowings

	2015 $	2014 $
Secured – at amortised cost		
Finance lease liabilities	326,706	354,498
	326,706	**354,498**
Current	139,364	81,770
Non-Current	187,342	272,728
	326,706	**354,498**

9. Provisions

	2015 $	2014 $
Current		
Provision for annual leave	158,457	147,772
Non-Current		
Provision for long service leave	78,109	53,452
	236,566	**201,224**

10. Deferred revenue

	2015 $	2014 $
Grant funding received in advance		
Commonwealth grants	11,621	50,000
Grant funding carried forward		
Northern Territory Health Service grants	100,334	28,325
Commonwealth grants	1,174,360	486,754
	1,286,315	**565,079**

11. Reserves

	2015 $	2014 $
Properties revaluation reserve		
Balance at beginning of year	1,369,243	1,369,243
Increase arising on revaluation of properties	619,943	-
Balance at end of year	**1,989,186**	**1,369,243**

The properties revaluation reserve arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the properties revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the properties revaluation reserve will not be reclassified subsequently to profit or loss.

12. Accumulated funds

	2015 $	2014 $
Accumulated funds	**4,061,040**	**3,767,682**
Balance at beginning of year	3,767,682	3,561,002
Surplus for the year	293,358	206,680
Balance at end of year	**4,061,040**	**3,767,682**

13. 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 year as shown in the statement of cash flows is reconciled to the related items at the general ledger level as follows:

	2015	2014
	$	$
Cash on hand	6,058	1,708
Cash at bank	110,109	135,547
Investment accounts	3,940,439	2,662,191
Total Cash and cash equivalents	**4,056,606**	**2,799,446**

(b) Reconciliation of loss for the year to net cash flows from operating activities

	2015	2014
	$	$
Net surplus for the year	**293,358**	**206,680**
Interest income	-	(96,201)
Interest expense	-	32,104
Gain on sale of property, plant and equipment	(98,763)	(414)
Loss on disposal of intangible assets	32,152	-
Depreciation expense	342,427	254,224
Amortisation expense	11,270	15,590
Decrease/ (increase) in assets:		
Trade and other receivables	(59,778)	50,915
(Decrease)/ increase in liabilities:		
Trade and other payables	223,814	(58,401)
Provisions	35,342	(57,723)
Grants received in advance	-	(26,200)
Grants liabilities	721,236	384,222
Net cash provided by operating activities	**1,501,058**	**704,796**

14. Remuneration of auditors

	2015	2014
	$	$
Audit of the financial statements	20,004	19,615
	20,004	**19,615**

The auditor of the Top End Association for Mental Health Incorporated for 2015 is Deloitte Touche Tohmatsu (2014: BDO Audit (NT))

15. Events after the reporting date

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