

TOP END ASSOCIATION FOR MENTAL HEALTH INCORPORATED

Annual Report for the financial year ended 30 June 2016

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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 2016. 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
- Amin Islam - Treasurer (Appointed in June 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 2016 amounted to \$307,440 (2015: \$293,358). The net assets of the Association are \$6,357,666 (2015: \$6,050,226).

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:

28/9/16

.....
Markus Spazzapan
Chairperson
5/62 Cavenagh Street
DARWIN NT 0800

Dated:

28/9/16

.....
Amin Islam
Treasurer
5/62 Cavenagh Street
DARWIN NT 0800

The Board of Management
Top End Association for Mental Health Inc
GPO Box 4050
Darwin NT 0801

28 September 2016

Dear Sirs

Top End Association for Mental Health Inc

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*, I am pleased to provide the following declaration of independence to the Board of Management of Top End Association for Mental Health Inc.

As lead audit partner for the audit of the financial statements of Top End Association for Mental Health Inc for the financial period ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Yours sincerely


DELOITTE TOUCHE TOHMATSU



L C Girolamo
Partner
Chartered Accountants

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 2016, 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 6 to 19.

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 2016 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.

DeLoitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



L C Girolamo
Partner
Chartered Accountants
Darwin, 30 September 2016

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:

28/9/16

.....
Markus Spazzapan
Chairperson
5/62 Cavenagh Street
DARWIN NT 0800

Dated:

28/9/16

.....
Amin Islam
Treasurer
5/62 Cavenagh Street
DARWIN NT 0800

**Statement of profit or loss and other comprehensive income
for the year ended 30 June 2016**

	Note	Year ended 30 June 2016 \$	Year ended 30 June 2015 \$
Revenue	4.1	7,140,093	6,095,400
Other income	4.2	139,426	236,547
Employee benefits expense	4.3	(4,109,624)	(3,954,692)
Operation expenses		(718,617)	(539,658)
Vehicle expenses		(207,196)	(229,473)
Travel expenses		(166,532)	(60,625)
IT expenses		(59,942)	(77,732)
Premises expenses		(553,831)	(452,154)
Client support services		(199,146)	(196,001)
Depreciation		(361,388)	(342,427)
Amortisation		(2,145)	(11,270)
Finance costs		(23,189)	(33,519)
Low value assets <\$5,000		(221,012)	(141,038)
Assets purchased on behalf of government programs	4.4	(349,457)	-
Surplus for the year		307,440	293,358
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of property	11	-	619,943
Other comprehensive income for the year		-	619,943
Total comprehensive income for the year		307,440	913,301

Notes to the financial statements are included on pages 11 to 19.

**Statement of financial position
as at 30 June 2016**

	Note	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	13(a)	4,696,257	4,056,606
Trade and other receivables		52,831	82,018
Other assets	5	106,358	202,227
Total current assets		4,855,446	4,340,851
Non-current assets			
Property, plant and equipment	6	3,795,671	4,075,572
Intangible assets		4,355	6,500
Total non-current assets		3,800,026	4,082,072
Total assets		8,655,472	8,422,923
Current liabilities			
Trade and other payables	7	740,524	523,110
Borrowings	8	152,938	139,364
Provisions	9	185,825	158,457
Deferred revenue	10	1,069,571	1,286,315
Total current liabilities		2,148,858	2,107,246
Non-current liabilities			
Borrowings	8	34,404	187,342
Provisions	9	114,544	78,109
Total non-current liabilities		148,948	265,451
Total liabilities		2,297,806	2,372,697
Net assets		6,357,666	6,050,226
Equity			
Reserves	11	1,989,186	1,989,186
Retained earnings	12	4,368,480	4,061,040
Total equity		6,357,666	6,050,226

Notes to the financial statements are included on pages 11 to 19.

**Statement of changes in equity
for the year ended 30 June 2016**

	Note	Reserves \$	Retained earnings \$	Total \$
Balance as at 1 July 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
Surplus for the year		-	307,440	307,440
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	307,440	307,440
Balance at 30 June 2016		1,989,186	4,368,480	6,357,666

Notes to the financial statements are included on pages 11 to 19.

**Statement of cash flows
for the year ended 30 June 2016**

	Note	Year ended 30 June 2016 \$	Year ended 30 June 2015 \$
Cash flows from operating activities			
Grants received		6,530,539	6,398,401
Other income received		495,192	370,402
Payments to suppliers and employees		(6,264,140)	(5,360,065)
Interest received		118,464	125,838
Interest and other costs of finance paid		(23,189)	(33,519)
Net cash provided by operating activities	13(b)	856,866	1,501,058
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		3,636	115,617
Payments for property, plant and equipment		(81,487)	(325,224)
Payments for intangible assets		-	(6,500)
Net cash used in investing activities		(77,851)	(216,106)
Cash flows from financing activities			
Repayment of borrowings		(139,364)	(27,792)
Net cash used in financing activities		(139,364)	(27,792)
Net increase in cash and cash equivalents		639,651	1,257,160
Cash and cash equivalents at the beginning of the financial year		4,056,606	2,799,446
Cash and cash equivalents at the end of the financial year	13(a)	4,696,257	4,056,606

Notes to the financial statements are included on pages 11 to 19.

1. General information

Top End Association for Mental Health Incorporated is an Association, incorporated under the *Associations Act (NT)* 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.

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

(a) Taxation

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

3. Significant accounting policies (cont'd)

(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 will 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 participant contributions and profit 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.

Association as lessor

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.

Association as lessee

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.

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.

3. Significant accounting policies (cont'd)

(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:

<u>Class of fixed assets</u>	<u>Depreciation rates</u>
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 2016 \$	Year ended 30 June 2015 \$
4.1 Revenue		
<u>Grants</u>		
Northern Territory Department of Health grants	2,401,466	2,369,316
Commonwealth grants	4,169,072	4,067,464
Net grant revenue carried forward	216,745	(759,615)
Total grants	6,787,283	5,677,165
<u>Other</u>		
Rent	324,112	398,379
Sales – HCP charges	28,698	19,856
Total revenue	7,140,093	6,095,400
4.2 Other Income		
Bank interest income	121,716	125,838
Other income	14,074	11,946
Profit on disposal of assets	3,636	98,763
Total other income	139,426	236,547
4.3 Employee benefits expense		
<u>Post-employment Benefits</u>		
Defined contribution plans	(308,382)	(301,192)
Termination benefits	-	(15,643)
Other employee benefits	(3,801,242)	(3,637,857)
Total employee benefits expense	(4,109,624)	(3,954,692)

4.4 Assets purchased on behalf of government programs

Assets have been purchased during the year on behalf of the Family And Youth Services Gunbalanya and Maningrida Personal Helpers And Mentors programs. The funding agreements for these programs were due to expire on 30 June 2016, later extended to 30 September 2016. The costs have been expensed through the statement of profit or loss and other comprehensive income.

5. Other assets

	2016 \$	2015 \$
Prepaid expenses	84,614	182,383
Other	21,744	19,844
Total other assets	106,358	202,227

6. Property, plant and equipment

	2016					
	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	2,011,957	1,463,043	29,242	333,831	1,112,812	4,950,885
Additions	-	-	-	-	81,487	81,487
Disposals	-	-	-	(53,080)	(19,410)	(72,490)
Revaluations	-	-	-	-	-	-
Balance at end of year	2,011,957	1,463,043	29,242	280,751	1,174,889	4,959,882
Less: Accumulated depreciation						
Balance at beginning of year	-	-	8,772	240,858	625,683	875,313
Depreciation	-	34,625	731	34,793	291,239	361,388
Disposals	-	-	-	(53,080)	(19,410)	(72,490)
Revaluations	-	-	-	-	-	-
Balance at end of year	-	34,625	9,503	222,571	897,512	1,164,211
Net book value	2,011,957	1,428,418	19,739	58,180	277,377	3,795,671

	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

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 and Health).

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 prior year has been taken directly to reserves.

7. Trade and other payables

	2016 \$	2015 \$
Trade payables	293,418	230,465
Other creditors and accruals	367,898	254,141
Good and services tax payable / (recoverable)	32,888	458
PAYG tax payable	46,320	38,046
	740,524	523,110

8. Borrowings

	2016 \$	2015 \$
<u>Secured – at amortised cost</u>		
Finance lease liabilities	187,342	326,706
	187,342	326,706
Current	152,938	139,364
Non-Current	34,404	187,342
	187,342	326,706

9. Provisions

	2016 \$	2015 \$
Current		
Provision for annual leave	185,825	158,457
Non-Current		
Provision for long service leave	114,544	78,109
	300,369	236,566

10. Deferred revenue

	2016 \$	2015 \$
<u>Grant funding received in advance</u>		
Commonwealth grants	-	11,621
<u>Grant funding carried forward</u>		
Northern Territory Health Service grants	83,443	100,334
Commonwealth grants	986,129	1,174,360
	1,069,572	1,286,315

11. Reserves

	2016 \$	2015 \$
<u>Properties revaluation reserve</u>		
Balance at beginning of year	1,989,186	1,369,243
Increase arising on revaluation of properties	-	619,943
Balance at end of year	1,989,186	1,989,186

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

	2016 \$	2015 \$
Accumulated funds	4,368,480	4,061,040
Balance at beginning of year	4,061,040	3,767,682
Surplus for the year	307,440	293,358
Balance at end of year	4,368,480	4,061,040

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:

	2016	2015
	\$	\$
Cash on hand	3,900	6,058
Cash at bank	133,884	110,109
Investment accounts	4,558,473	3,940,439
Total Cash and cash equivalents	4,696,257	4,056,606

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

	2016	2015
	\$	\$
Net surplus for the year	307,440	293,358
Gain on sale of property, plant and equipment	(3,636)	(98,763)
Loss on disposal of intangible assets	-	32,152
Depreciation expense	361,388	342,427
Amortisation expense	2,145	11,270
Decrease/ (increase) in assets:		
Trade and other receivables	29,187	(55,114)
Other assets	95,869	(4,664)
(Decrease)/ increase in liabilities:		
Trade and other payables	217,414	223,814
Provisions	63,803	35,342
Deferred revenue	(216,744)	721,236
Net cash provided by operating activities	856,866	1,501,058

14. Remuneration of auditors

	2016	2015
	\$	\$
Audit of the financial statements	25,248	20,004
	25,248	20,004

The auditor of the Top End Association for Mental Health Incorporated is Deloitte Touche Tohmatsu.

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.

