

>> FINANCIAL REPORT

NATIVE TITLE



Ramingining dancers at the 2004 Garma Festival.



INDEPENDENT AUDIT REPORT

To the Minister for Immigration and Multicultural and Indigenous Affairs

Scope

The financial statements and directors' responsibility

The financial statements comprise:

- Statement by Directors and Chief Executive;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements

of the Northern Land Council as a Native Title Representative Body for the year ended 30 June 2005.

The members of the Executive of the Northern Land Council are responsible for preparing the financial statements that give a true and fair view of the financial position and performance of the Corporation, and that comply with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, accounting standards and other mandatory financial reporting requirements in Australia. The members of the Executive of the Northern Land Council are also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including accounting standards and

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other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Northern Land Council as a Native Title Representative Body's financial position, and of its performance as represented by the statements of financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members of the Executive of the Northern Land Council.

Independence

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

Audit Opinion

In my opinion, the financial statements of the Northern Land Council as a Native Title Representative Body:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*; and
- (b) give a true and fair view of the Northern Land Council as a Native Title Representative Body's financial position as at 30 June 2005 and of its performance and cash flows for the year then ended, in accordance with:
 - (i) the matters required by the Finance Minister's Orders; and
 - (ii) applicable accounting standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



Mark Moloney
Senior Director

Delegate of the Auditor-General

Canberra

16 September 2005

NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY >> STATEMENT BY DIRECTORS

for the year ended 30 June 2005

The Northern Land Council (NLC) is a Native Title Representative Body (NTRB) as prescribed in the *Native Title Act 1993* and a land council under the *Aboriginal Land Rights (Northern Territory) Act 1976*. Since being recognised as an NTRB, the NLC has performed the functions of the NTRB in association with other NLC functions.

While separate books and records are not maintained by the NLC for the NTRB, the revenue and expenditure is recorded as a separate cost centre within the NLC financial books and records for the current year and assets and liabilities have been able to be separately identified as detailed in note 1.

In our opinion, the attached financial statements for the year ended 30 June 2005 are based on records accurately extracted from the NLC financial information and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.

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

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

Signed.....

John Daly
Chairman
September 2005

Signed.....

Samual Blandisi
Deputy Chairman
September 2005



NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY

>> STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2005

	Notes	2005 \$	2004 \$
>>REVENUES FROM ORDINARY ACTIVITIES			
Revenues from Government	4A, 6A & B	2,683,540	2,501,944
Goods & Services	6A	13,681	179,849
Interest revenue	4B	56,075	57,536
Revenue from sales of assets	4C	27,272	-
Revenues from ordinary activities		2,780,568	2,739,329
>>EXPENSES FROM ORDINARY ACTIVITIES			
Employees and council members	5A	1,399,244	1,267,560
Suppliers	5B	1,350,111	1,547,922
Depreciation and amortisation	5C	14,535	43,923
Value of asset sold	4C	35,778	-
Expenses from ordinary activities		2,799,668	2,859,405
Net profit / (deficit)		(19,100)	(120,076)
Net credit to asset revaluation reserve	10A	-	41,475
Total revenues, expenses and revaluation adjustments recognised directly in equity		-	41,475
Total changes in equity other than those resulting from transactions with the Australian Government as owner		(19,100)	(78,601)

The above statement should be read in conjunction with the accompanying notes.



NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY

>> STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2005

	Notes	2005 \$	2004 \$
>>ASSETS			
Financial assets			
Cash	11B	536,618	320,763
Total financial assets		536,618	320,763
Non-financial assets			
Infrastructure, plant and equipment	7A	74,887	125,200
Intangibles	7B	-	-
Total non-financial assets		74,887	125,200
Total assets		611,505	445,963
>>LIABILITIES			
Provisions			
Employees	8A	223,780	194,303
Total provisions		223,780	194,303
Payables			
Inter-entity payable	9A	475,928	320,763
Total payables		475,928	320,763
Total liabilities		699,708	515,066
Net Liabilities		(88,203)	(69,103)
>>EQUITY/(DEFICIT)			
Parent entity interest			
Reserves	10A	41,475	41,475
Accumulated deficit	10A	(129,678)	(110,578)
Total parent entity interest		(88,203)	(69,103)
Total equity/(deficit)		(88,203)	(69,103)
Current assets		536,618	320,763
Non-current assets		74,887	125,200
Current liabilities		645,974	490,066
Non-current liabilities		53,734	25,000

The above statement should be read in conjunction with the accompanying notes.



NORTHERN LAND COUNCIL

>>STATEMENT OF CASH FLOWS

the year ended 30 June 2005

	Notes	2005 \$	2004 \$
>>OPERATING ACTIVITIES			
Cash received			
Revenues from government		2,683,540	2,501,944
Goods and services		13,681	179,849
Interest		56,075	57,536
Total cash received		2,753,296	2,739,329
Cash used			
Employees		1,380,164	1,210,476
Suppliers		1,184,549	1,547,922
Total cash used		2,564,713	2,758,398
Net cash used by investing activities	11A	188,583	(19,069)
>>Investing Activities			
Cash received			
Proceeds from sales of property, plant and equipment		27,272	-
Total cash received		27,272	-
Net Increase / (Decrease) in Cash Held		215,855	(19,069)
Cash at the beginning of the reporting period		320,763	339,832
Cash at the end of the reporting period	11B	536,618	320,763

The above statement should be read in conjunction with the accompanying notes.



NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY >> NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1:	Summary of Significant Accounting Policies	155
Note 2:	Adoption of Australian equivalents to International Financial reporting Standards from 2005-2006	159
Note 3:	Economic Dependency	162
Note 4:	Operating Revenues	163
Note 5:	Operating Expenses	163
Note 6:	Grants	164
Note 7:	Non-Financial Assets	165
Note 8:	Provisions	166
Note 9:	Payables	167
Note 10:	Equity	167
Note 11:	Cash Flow Reconciliations	167
Note 12:	Director Remuneration	168
Note 13:	Remuneration of Auditors	168
Note 14:	Average Staffing Levels	168
Note 15:	Financial Instruments	169



>> NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS continued...

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting

The Northern Land Council (NLC) is a Native Title Representative Body (NTRB) as prescribed in the *Native Title Amendment Act 1998* and a land council under the *Aboriginal Land Rights (Northern Territory) Act 1976*. Since being recognised as an NTRB the NLC has performed the functions of the NTRB in association with other NLC functions.

These financial statements of the Northern Land Council as a NTRB are required by Section 203DC (4) of the *Native Title Act 1993* and are general purpose financial statements.

The statements as a result of Ministerial determination have been prepared in accordance with:

- Finance Minister's Order's (being the Commonwealth Authorities and Companies Orders (Financial Statements for reporting periods ending on or after 30 June 2005));
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Urgent Issues Group Abstracts.

The NLC has prepared the Statement of Financial Position, Financial Performance and Cashflows applicable to the NTRB operation and function. All NTRB asset and liabilities balances have been identified from within the NLC financial information and accurately extracted from the NLC financial statements, representing the completeness and existence of all assets and liabilities of the NTRB. The NLC maintains an NTRB revenue and expenditure cost centre and the Statement of Financial Performance is a complete and accurate record of NTRB revenue and expenditure.

The NTRB's Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets, which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the NTRB's Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an accounting standard.

Revenues and expenses are recognised in the NTRB's Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

1.2 Revenue

The revenues described in this Note are revenues relating to the core operating activities of the NTRB. Revenues from Government are recognised at the time the NTRB becomes entitled to the funding. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the relevant asset.



>> NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued...*

Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Revenue from the rendering of a service is recognised by reference to the stage of completion of the contract to provide the service. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimate total costs of the transaction.

Resources Received Free of Charge

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition.

1.3 Employee Benefits

Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for wages and salaries (including non-monetary benefits), annual leave and sick leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also measured at their nominal amounts.

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

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

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

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

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

Superannuation

Employees contribute to the MLC NLC Superannuation Plan for eligible employees, MLC Limited for casual employees, and the Commonwealth Superannuation Scheme (CSS) for one employee.

Contribution rates for 2004/2005 were as follows:



>> NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued...*

- 1) 12% for eligible employees who commenced on or after 1 July 1997, 18% for eligible employees who commenced prior to 1 July 1997 (both inclusive of the statutory 9% contribution), and the 9% statutory contribution to MLC NLC Superannuation Fund for other employees;
- 2) The 9% statutory contribution to MLC Limited for casual employees; and
- 3) 28.3% to CSS inclusive of the 9% statutory contribution.

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

1.4 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount. Interest is credited to revenue as it accrues.

NTRB cash is received into the ATGIS bank account. All payments are made from the NLC operating account. On a regular basis the funds are transferred from the ATGIS bank account to the NLC operating account for the value of payments made by NLC on behalf of the NTRB.

1.5 Other Financial Liabilities

Trade creditors and accruals are recognised at their nominal amounts, being the amount at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Trade creditors are settled on the transfer of funds from the ATGIS bank account to the NLC operating account.

1.6 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

1.7 Property (Land, Buildings and Infrastructure), Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluations

Basis

Plant and equipment are carried at valuation, being revalued with sufficient frequency such that the carrying amount of each asset class is not materially different, as at reporting date, from its fair value. Revaluations are done on a fair value basis required by Australian Accounting Standard AASB 1041 – *Revaluation of Non-Current Assets*. Valuations undertaken in any year are as at 30 June.



>> NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued...*

Fair values for each class of assets are determined as shown below.

Asset Class	Fair Value Measured at:
Plant & Equipment	Market selling price

Under fair value, assets that are surplus to requirement are measured at their net realisable value. At 30 June 2005 NTRB held no surplus assets. (30 June 2004: \$0).

Depreciable plant and equipment are subject to formal valuations every three years. Formal valuations are carried out by an independent qualified valuer.

Depreciation

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

Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

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

Asset Class	2005	2004
Motor vehicles and plant	3 years	3 years
Office equipment and furniture	3 to 5 years	3 to 5 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 5C.

1.8 Impairment of Non-Current Assets

Non-current assets carried at up-to-date fair value at the reporting date are not subject to impairment testing.

Non-current assets carried at cost and held to generate net cash inflows have been tested for their recoverable amounts at the reporting date. The test compared the carrying amounts against the net present value of future net cash inflows. No write-down to recoverable amounts was required (2004: nil).

The non-current assets carried at cost, which are not held to generate net cash inflows, have been assessed for indications of impairment. Where indications of impairment exist, the asset is written down to the higher of its net selling price and, if the entity would replace the asset's service potential, its depreciated replacement cost.

1.9 Intangibles

The NTRB's intangibles comprise externally acquired software for internal use. The assets are carried at cost.

Software is amortised on a straight-line basis over its anticipated useful lives.



>> NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued...*

Useful lives are:	2005	2004
Externally acquired software	5 years	5 years

All software assets were assessed for indications of impairment as at 30 June 2005. No impairment was noted.

1.10 Taxation

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

Revenues, expenses and assets are recognised net of GST:

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

1.11 Insurance

The NTRB has insured for risks through the Government's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through Comcare Australia.

1.12 Rounding

Amounts have been rounded to the nearest \$1.

NOTE 2: ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS FROM 2005/2006

The Australian Accounting Standards Board has issued replacement Australian Accounting Standards to apply from 2005/2006. The new standards are the Australian Equivalent to International Financial Reporting Standards (AEIFRS's). The International Financial Reporting Standards are issued by the International Accounting Standards Board. The new standards cannot be adopted early. The standards being replaced are to be withdrawn with effect from 2005/2006, but continue to apply in the meantime, including reporting periods ending on 30 June 2005.

The purpose of issuing AEIFRS is to enable Australian reporting entities reporting under the *Corporations Act 2001* to be able to more readily access overseas capital markets by preparing their financial statements according to accounting standards more widely used overseas.

For-profit entities complying fully with the AEIFRS will be able to make an explicit and unreserved statement of compliance with International Financial Reporting Standards (IFRS) as well as a statement that the financial report has been prepared in accordance with Australian Accounting Standards.

AEIFRS contain certain additional provisions that will apply to not-for-profit entities, including the Northern Land Council – Native Title Representative Body (NTRB). Some of these provisions are in conflict with the IFRSs and therefore the NTRB will only be able to assert that the financial report has been prepared in accordance with Australian Accounting Standards.

AAS 29 Financial Reporting by Government Departments will continue to apply under AEIFRS.



>>NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued...*

Accounting Standard AASB 1047 *Disclosing the Impact of Adopting Australian Equivalents to International Financial Reporting Standards* requires that the financial statements for 2004/2005 disclose:

- An explanation of how the transition to the AEIFRS is being managed;
- A narrative explanation of the key policy differences arising from the adoption of AEIFRS.
- Any known or reliably estimable information about the impacts on the financial report had it been prepared using the AEIFRS; and
- If the impacts of the above are not known or reliably estimable, a statement to that effect.

Where an entity is not able to make a reliable estimate, or where quantitative information is not known, the entity should update the narrative disclosures of the key differences in accounting policies that are expected to arise from the adoption of AEIFRS.

The purpose of this Note is to make these disclosures.

Management of the Transition to AEIFRS

The NTRB, in consultation with the auditors and external accountants, has discussed the identification of major accounting policy differences between current AASB standards and the AEIFRS to 30 June 2005. Minimal impact on the NTRB is expected with the proposed changes to the Australian Equivalents. A transitional balance sheet as at 1 July 2005, under Australian Equivalents, will be prepared.

Senior officers of the NTRB are tasked with oversight of the transition to and implementation of the AEIFRSs. The Corporate Services Manager is formally responsible for the project and regularly discusses progress with senior officers.

The project requires the following key steps to be undertaken and sets deadlines for their achievement;

- All major accounting policy differences between current AASB standards and AEIFRS were identified by 30 June 2004;
- Methodology necessary to be able to report under the AEIFRS, including that necessary to capture data under both sets of rules for 2004/2005 was discussed by 30 June 2004 and then during the preparation of the 2004/2005 statutory financial reports;
- An AEIFRS compliant balance sheet was also prepared during the preparation of the 2004/2005 statutory financial reports; and
- The 2004/2005 balance sheet under AEIFRS will be reported to the Department of Finance and Administration in line with their reporting deadlines.

The project also addresses the risks to successful achievement of the above objectives and included strategies to keep implementation on track to meet deadlines. Consultants were engaged to assist where necessary.

Major Changes in Accounting Policy

The NTRB believes that the first financial report prepared under AEIFRS, i.e. at 30 June 2006, will be prepared on the basis that the NTRB will be a first time adopter under AASB1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. Changes in accounting policies under AEIFRS are applied retrospectively i.e. as if the new policy had always applied, except in relation to the exemptions available and prohibitions under AASB1. This rule means that an AEIFRS compliant balance sheet has to be prepared as at 1 July 2004.



>> NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued...*

This will enable the 2005/2006 financial statements to report comparatives under AEIFRS.

A first time adopter of AEIFRS may elect to use exemptions under paragraphs 13 to 25E. When developing the accounting policies applicable to the preparation of the 1 July opening balance sheet, no exemptions were applied by the NTRB.

Property, Plant and Equipment

It is expected that the 2005/2006 Finance Minister's Orders will continue to require property, plant and equipment assets to be valued at fair value in 2005/2006.

The NTRB uses the fair value to assess the value of assets. No major impact foreseen in determining the cost of an asset.

Intangible Assets

AASB 138 states that judgment must be used by the entity as to whether software is considered an intangible asset or whether it should be included in property, plant and equipment. The NTRB's intangibles comprise of externally acquired software for internal use. The assets are carried at cost and amortised over the asset's useful life.

Impairment of Intangibles and Property, Plant and Equipment

Under AEIFRS these assets will be subject to assessment for impairment and, if there are indications of impairment, measurement of any impairment (impairment measurement must also be done, irrespective of any indication of impairment, for intangible assets not yet available for use). The impairment test is that the carrying amount of an asset must not exceed the greater of (a) its fair value less costs to sell and (b) its value in use. "Value in use" is the net present value of net cash inflows for cash generating unit assets of the Council and depreciated replacement cost for other assets that would be replaced if the Northern Land Council were deprived of them.

However, an impairment assessment of the NTRB's intangible assets indicated that no adjustments will be required.

Employee Benefits

The provision for long service leave is measured at the present value of estimated future cash outflows using market yields as at the reporting date on national government bonds.

The AASB has decided that a deep market in high quality corporate bonds does not exist and therefore national government bonds will be referenced.

AEIFRS also require that annual leave that is not expected to be taken within 12 months of the balance date is to be recognised as a liability on a discounted basis at the amount the Council expects to pay as a result of the unused entitlement.

No direct impact on the NTRB's financial statements is foreseen.



>> NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE BODY NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *continued...*

Financial Instruments

AEIFRS include an option for entities not to restate comparative information in respect of financial instruments in the first AEIFRS report. It is expected that Finance Minister's Order will require entities to use this option. Therefore, the amounts for financial instruments presented in the NTRB's 2004/2005 primary financial statements are not expected to change as a result of the adoption of AEIFRS.

The NTRB will be required by AEIFRS to restate the carrying amount of financial instruments at 1 July 2005 to align with the accounting policies required by AEIFRS. It is expected that the carrying amount of most financial instruments held by the NTRB will be unaffected by this requirement.

NOTE 3: ECONOMIC DEPENDENCY

The Northern Land Council is a statutory authority formed within the provision of Section 21 of the *ALR (NT) Act*. The Land Council is also a Native Title Representative Body formed within the provisions of Division 2, Part 11 of the *Native Title Act 1993* and receives grants from the Government pursuant to Section 203C of the Act.

The NTRB is dependent on the continued release of these funds for its continued existence and ability to carry out its normal activities.

The funding conditions of the NTRB are laid down by the *Native Title Act*, and any special purpose grant guidelines. Accounting for monies received from the ATSI is subject to conditions approved by the ATSI Land Rights Branch.



>> NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE
 BODY NOTES TO AND FORMING PART OF THE
 FINANCIAL STATEMENTS continued...

NOTE 4: OPERATING REVENUES

	2005 \$	2004 \$
NOTE 4A: Revenues from Government		
OIPC Grant – Native Title Representative Services	2,583,540	2,457,600
OIPC Grant – Native Title – Priority Claims Resolution	100,000	44,344
Total revenues from government	2,683,540	2,501,944
NOTE 4B: Interest Revenue		
Interest from deposits	56,075	57,536
Total interest revenue	56,075	57,536
NOTE 4C: Revenues / (Loss) from Sales of Assets		
Infrastructure, plant and equipment	27,272	-
Net book value of assets disposed	(35,778)	-
Net Revenue/(Loss) from disposal of infrastructure, plant and equipment	(8,506)	-

NOTE 5: OPERATING EXPENSES

NOTE 5A: Employee Expenses		
Wages and salaries	1,208,415	1,094,154
Superannuation	102,069	88,344
Leave and other entitlements	45,054	68,960
Other employee benefits	41,691	3,795
Total employee benefits expenses	1,397,229	1,255,253
Workers compensation premiums	2,015	12,307
Total employee expenses	1,399,244	1,267,560
NOTE 5B: Suppliers Expenses		
Goods from external entities	163,579	177,865
Services from related entities	290,246	294,382
Services from external parties	829,017	1,008,358
Operating lease rentals	67,269	67,317
Total supplier expenses	1,350,111	1,547,922



>>NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE
BODY NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS continued...

	2005 \$	2004 \$
NOTE 5C: Depreciation and Amortisation		
Depreciation of property, plant and equipment	14,535	43,923
Total depreciation and amortisation	14,535	43,923
The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:		
Plant and equipment	14,535	43,923
Total depreciation and amortisation	14,535	43,923

NOTE 6: GRANTS

	2004/2005 Approved Budget \$	2004/2005 Actual \$
NOTE 6A: OIPC Grant – Native Title Representative Services		
Income and Expenditure		
Income		
Operational Grant	2,583,540	2,583,540
Recoveries	-	13,681
Interest	-	56,075
Total Income	2,583,540	2,653,296
Operational Services		
Agreement Making	23,426	-
Certification	14,316	-
Dispute Resolution	68,977	-
Facilitation and Assistance	1,842,204	1,163,679
Governance and Administration	491,906	1,492,083
Internal Review	3,905	-
Notification	19,522	-
Other Functions	119,284	4,780
Services Sub-total	2,583,540	2,660,542
Operational sub-total	2,583,540	2,660,542
Total Expenditure	-	(7,246)

Surplus/(Deficit) as at 30 June 2005

Consistent with Note 1.1, the NTRB maintains accounts on an accrual basis, however, this income and expenditure statement is prepared on a cash basis consistent with the terms and conditions of the Native Title Grant.



>> NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE
BODY NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS continued...

	2004/2005 Approved Budget \$	2004/2005 Actual \$
NOTE 6B: OIPC Grant – Native Title - Priority Claims Resolution		
Income and Expenditure		
Income		
Priority Claims Resolution	100,000	100,000
Total Income	100,000	100,000
Expenditure		
Operational		
Priority Claims Resolution	100,000	100,000
Total Expenditure	100,000	100,000
Surplus/(Deficit) as at 30 June 2005	-	-

Consistent with Note 1.1, the NTRB maintains accounts on an accrual basis, however, this income and expenditure statement is prepared on a cash basis consistent with the terms and conditions of the Native Title Grant.

NOTE 7: NON-FINANCIAL ASSETS

	2004/2005 \$	2004/2005 \$
NOTE 7A: Infrastructure, Plant and Equipment		
Plant and equipment		
at 2003-2004 valuation (fair value)	88,700	125,200
accumulated Depreciation	(13,813)	-
Total Infrastructure Plant and Equipment (non-current)	74,887	125,200

The valuation of infrastructure, plant and equipment as at 30 June 2004 was undertaken by the Australian Valuation Office.

NOTE 7B: Intangibles		
Computer software:		
Externally acquired	6,566	6,566
Accumulated amortisation	(6,566)	(6,566)
Total intangibles	-	-



>> NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE
 BODY NOTES TO AND FORMING PART OF THE
 FINANCIAL STATEMENTS continued...

Item	Other Infrastructure, Plant & Equipment	Computer Software	TOTAL
NOTE 7C: Analysis of Property, Plant and Equipment Intangibles			
TABLE A: Reconciliation of the opening and closing balances of property, plant, equipment and intangibles.			
As at 1 July 2004			
Gross book value	125,200	6,566	131,766
Accumulated depreciation/amortisation	-	(6,566)	(6,566)
Opening net book value	125,200	-	125,200
Additions			
By purchase	-	-	-
Net revaluation increment/decrement	-	-	-
Depreciation/Amortisation expense	(14,535)	-	(14,535)
Disposals			
Other disposals	(35,778)	-	(35,778)
As at 30 June 2005			
Gross book value	88,700	6,566	95,266
Accumulated depreciation/amortisation	(13,813)	(6,566)	(20,379)
Closing net book value	74,887	-	74,887

NOTE 8: PROVISIONS

	2005 \$	2004 \$
NOTE 8A: Employee Provisions		
Salaries and wages	-	16,988
Leave	213,383	157,987
Superannuation	10,397	19,328
Aggregate employee entitlement liability	223,780	194,303
Worker's compensation	-	-
Aggregate employee benefit liability and related on costs	223,780	194,303
Current	170,046	169,303
Non-current	53,734	25,000
	223,780	194,303



>> NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE
BODY NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS continued...

NOTE 9: PAYABLES

	2005 \$	2004 \$
NOTE 9A: Inter-entity Payable		
Inter-entity payable – to NLC	475,928	320,763
Total inter-entity payables	475,928	320,763

All payables are current.

NOTE 10: EQUITY

Item	Accumulated Results		Asset Revaluation Reserve		TOTAL EQUITY	
	2005	2004	2005	2004	2005	2004
		\$	\$	\$	\$	\$
NOTE 10A: Analysis of Equity						
Opening balance as at 1 July 2004	(110,578)	9,498	41,475	-	(69,103)	9,498
Net deficit	(19,100)	(120,076)	-	-	(19,100)	(120,076)
Net revaluation increment/(decrement)	-	-	-	41,475	-	41,475
Closing balance as at 30 June	(129,678)	(110,578)	41,475	41,475	(88,203)	(69,103)

NOTE 11: CASH FLOW RECONCILIATION

	2005 \$	2004 \$
NOTE 11A: Reconciliation of Operating Surplus to Net Cash from Operating Activities		
Reconciliation of Operating Surplus to Net Cash from Operating Activities		
Operating surplus / (deficit)	(19,100)	(120,076)
Non-Cash Items		
Depreciation and amortisation	14,535	43,923
Loss on disposal of asset	8,506	-
Changes in Assets and Liabilities		
Increase/(decrease) in employee provisions	29,477	57,084
Increase/(decrease) in inter-entity payable	155,165	-
Net cash used by operating activities	188,583	(19,069)



>> NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE
 BODY NOTES TO AND FORMING PART OF THE
 FINANCIAL STATEMENTS continued...

NOTE 11B: RECONCILIATION OF CASH

	2005 \$	2004 \$
Cash balance comprises:		
Cash on hand		
Native Title	536,618	320,763
Total cash	536,618	320,763
Balance of cash as at 30 June shown in the Statement of Cash Flows	536,618	320,763

Cash

Temporarily surplus funds, mainly from monthly draw-downs of appropriation, are placed on deposit at call with the Council's banker. Interest is earned on the daily balance at the prevailing daily rate for money on call and is paid at month end.

NOTE 12: DIRECTOR AND EXECUTIVE REMUNERATION

There were no director or executive remuneration payments made during the period with NTRB monies.

NOTE 13: REMUNERATION OF AUDITORS

Remuneration to the Auditor-General for auditing the financial statements for the reporting period.	6,700	6,500
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No other services were provided by the Auditor-General during the reporting period.

NOTE 14: AVERAGE STAFFING LEVELS

The average staffing levels of the NTRB during the year were:	17	15
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>> NORTHERN LAND COUNCIL NATIVE TITLE REPRESENTATIVE
 BODY NOTES TO AND FORMING PART OF THE
 FINANCIAL STATEMENTS continued...

NOTE 15: FINANCIAL INSTRUMENTS

Financial Instrument	Notes	Average Interest Rate 2005 \$	Short Term Interest Bearing 2005 \$	Non Interest Bearing 2005 \$	2005 2005 2005 \$
NOTE 15A: Interest Rate Risk					
Financial Assets					
Cash					
Cash at bank	11B	4.83%	536,618	-	536,618
Total			536,618	-	536,618
Total Assets					611,505
Financial Liabilities					
Inter-entity payable	9A	-	-	475,928	475,928
Total			-	475,928	475,928
Total Liabilities					699,708

NOTE 15B: Net Fair Values of Financial Assets and Liabilities

The net fair value of financial assets and liabilities in the Financial Statements are approximated by their carrying values.

NOTE 15C: Credit Risk Exposures

The NTRB's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

The NTRB has no significant exposures to any concentrations of credit risk.

All figures of credit risk referred to do not take into account the value or any other security.



