

Prospective West Daly Regional Council
ABN 25 966 579 574

Annual report
30 June 2014

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Prospective West Daly Regional Council
Statement of financial position
As at 30 June 2014

	<i>Note</i>	30 June 2014 \$
Assets		
Cash and cash equivalents	9	1,030,615
Trade and other receivables	8	16,883
Prepayments		16,523
Total current assets		1,064,021
Total assets		1,064,021
Liabilities		
Trade and other payables	11	21,864
Deferred income/ revenue	10	1,000,000
Total current liabilities		1,021,864
Total liabilities		1,021,864
Net assets		42,157
Equity		
Retained earnings		42,157
Total equity		42,157

The Notes on pages 5 to 9 are an integral part of the financial statements.

Prospective West Daly Regional Council
Statement of profit or loss and other comprehensive income
For the period ended 30 June 2014

	<i>Note</i>	30 June 2014
Continuing operations		\$
Grants received	5	100,000
Total revenue		100,000
Operating expenses	6(a)	57,843
Total expenses		57,843
Surplus for the period		42,157
Other comprehensive income		-
Total comprehensive income for the period		42,157

The Notes on pages 5 to 9 are an integral part of the financial statements.

Prospective West Daly Regional Council
Statement of changes in equity
For the period ended 30 June 2014

Note	Retained earnings \$	Total equity \$
Balance at 23 April 2014	-	-
Surplus for the period	42,157	42,157
Total comprehensive income for the period	42,157	42,157
Balance at 30 June 2014	42,157	42,157

The Notes on pages 5 to 9 are an integral part of the financial statements.

Prospective West Daly Regional Council
Statement of cash flows
For the period ended 30 June 2014

	Note	30 June 2014 \$
Cash flows from operating activities		
Cash payments in the course of operations		(69,385)
Grants received	5	100,000
Net cash from operating activities	15	30,615
Cash flows from financing activities		
Deferred income / revenue	10	1,000,000
Net cash from financing activities		1,000,000
Net increase in cash and cash equivalents		1,030,615
Cash and cash equivalents at 23 April 2014		-
Cash and cash equivalents at 30 June 2014	9	1,030,615

The Notes on pages 5 to 9 are an integral part of the financial statements

Prospective West Daly Regional Council

Notes to the financial statements for the period ended 30 June 2014

1. Reporting entity

Prospective West Daly Regional Council (the "Prospective Council") is a body corporate domiciled in Australia.

The Prospective Council's principal place of business is at 3/21 Parap Road, Parap NT 0820.

The functions of the Prospective Council are to prepare for its future role as the council for the West Daly region; and to take the actions that are necessary in anticipation of that role.

The Prospective Council has been in operation since 23 April 2014.

2. Basis of accounting

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB), the Local Government Act 2008 and Local Government (Accounting) Regulations 2008.

They were authorised for issue by the Manager on 26 August 2014. Details of the Prospective Council's accounting policies are included in Note 13.

3. Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Prospective Council's functional currency.

4. Use of judgements and estimates

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

5. Revenue

See accounting policies in Note 13(a).

Grants received

Note	30 June 2014 \$
	100,000
	<u>100,000</u>

At 30 June 2014, the Prospective Council has deferred revenue of \$1,000,000 relating to government grants (see Note 13(a)).

Prospective West Daly Regional Council

Notes to the financial statements for the period ended 30 June 2014

6. Income and expenses

(a) Expenses by nature

	Note	30 June 2014 \$
Advertising		1,431
Auditor's remuneration		2,500
Bank charges		15
Freight and cartage		27
Internet costs		63
Legal costs		3,631
Office supplies		10,513
Repairs and maintenance		17,296
Travel and entertainment		144
Uniforms		602
Software and website maintenance		21,621
Total operating expenses		57,843

7. Income taxes

The Prospective Council is a tax exempt entity under Section 50-25 of the Income Tax Assessment 1997, being a local governing body.

8. Trade and other receivables

	Note	30 June 2014 \$
Bonds and security deposits		11,649
Goods and services tax		5,234
		16,883

9. Cash and cash equivalents

	Note	30 June 2014 \$
Petty cash		600
Cash at bank		1,030,116
Cash and cash equivalents in the statement of financial position		1,030,615
Cash and cash equivalents in the statement of cash flows		1,030,615

Prospective West Daly Regional Council

Notes to the financial statements for the period ended 30 June 2014

10. Deferred income / revenue

See accounting policy in Note 13(a).

	Note	30 June 2014 \$
Government grants	(a)	1,000,000
Non-current		-
Current		1,000,000
		<u>1,000,000</u>

(a) Government grants

During the period ended 30 June 2014 the Prospective Council received \$1,100,000 in government grants from the Department of Local Government and Regions. As \$100,000 was budgeted for the period ended 30 June 2014 this amount has been recognised as income and amounts in excess of this have been classified as deferred income.

11. Trade and other payables

See accounting policy in Note 13(b).

	Note	Total \$
Audit fees		2,500
Repairs and maintenance		17,296
Office supplies		1,756
Advertising		312
Total		<u>21,864</u>
Non-current		-
Current		21,864
		<u>21,864</u>

12. Basis of measurement

The financial statements have been prepared on the historical cost basis.

13. Significant accounting policies

The Prospective Council has consistently applied the following accounting policies to all periods presented in the financial statements:

(a) Government grants, donations and other contributions

Grants, donations and other contributions are recognised as revenue when the Prospective Council obtains control over, or the right to receive the assets, it is probable that future economic benefits comprising the asset will flow to the Prospective Council, and the amount can be reliably measured.

Grants, donations and other contributions are not recognised as revenue until there is reasonable assurance that the Prospective Council will comply with the conditions attaching to them and the grants will be received.

Prospective West Daly Regional Council

Notes to the financial statements for the period ended 30 June 2014

13. Significant accounting policies (continued)

(a) Government grants, donations and other contributions (continued)

Where grants, contributions and donations recognised as revenue during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in note 10.

(b) Trade and other payables

Trade and other payables are recognised when the Prospective Council has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Trade and other payables are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(c) Goods and services tax

Revenues, expenses, assets and liabilities 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 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 cashflows arising from investing and financing activities, which is recoverable from or payable to the taxation authority, is classified as operating cash flows.

(d) Rounding

The financial report is presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

(e) Key sources of estimation uncertainty

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next accounting period.

14. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2014, and have not been applied in preparing the financial statements. The Prospective Council does not plan to adopt these standards early. None of these are expected to have a significant impact on the financial statements of the Prospective Council.

Prospective West Daly Regional Council

Notes to the financial statements for the period ended 30 June 2014

15. Reconciliation of cash flows from operating activities

	30 June 2014 \$
Cash flows from operating activities	
Surplus for the period	42,157
Change in trade and other receivables	(16,883)
Change in prepayments	(16,523)
Change in accruals	21,864
	11
Net cash from operating activities	30,615

16. Auditors' remuneration

	30 June 2014 \$
Audit and review services	
Auditors of the Prospective Council - Merit Partners	2,500

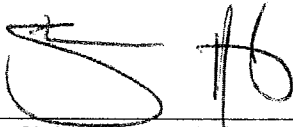
Prospective West Daly Regional Council

Manager's certificate

I, Shaun Christopher Hardy, the Manager of Prospective West Daly Regional Council (the Prospective Council) do hereby certify that the Annual Financial Statements:

- (a) have been, to the best of my knowledge, information and belief, properly drawn up in accordance with Australian Accounting Standards, the Local Government Act 2008 and the Local Government (Accounting) Regulations so as to present fairly the financial position of the Prospective Council as at 30 June 2014 and the results for the period then ended; and
- (b) are in accordance with the accounting and other records of the Prospective Council.

Dated at Darwin.....27.....day of.....August.....2014.



Shaun Christopher Hardy
Manager

Independent Audit Report to the members of the Prospective West Daly Regional Council

Report on the Financial Report

We have audited the accompanying financial report of the Prospective West Daly Regional Council ("Prospective Council"), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Manager's Certificate.

Manager's Responsibility for the Financial Report

The Manager of the Prospective Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Local Government Act 2008 and the Local Government (Accounting) Regulations 2008, and for such internal controls as the Manager determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Prospective Council's preparation and fair presentation of the financial report 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 Prospective Council's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Prospective Council, 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.

Independence

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the financial report of the Prospective West Daly Regional Council is in accordance with the Local Government Act 2008, including:

- a) giving a true and fair view of the Prospective Council's financial position as at 30 June 2014 and of its performance for the period ended on that date; and
- b) complying with the Australian Accounting Standards and Local Government (Accounting) Regulations 2008.

Merit Partners

Merit Partners



Matthew Kennon
Director

DARWIN

Date: *27/8/2014*