



banyan house

Annual Report 2018 - 2019



The Forster Foundation for Drug
Rehabilitation Incorporated.
Trading as Banyan House

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ABN 22 212 785 773

Acknowledgements

The Forster Foundation would like to acknowledge the Australian Government Department of Health for their financial support under the Non-Government Organisation Treatment Grants Program and the Substance Misuse Service Delivery Grant; as well as the Northern Territory Government Department of Health for their financial support under the Alcohol and Other Drugs Residential Rehabilitation Project.

We also wish to acknowledge the invaluable input from individual Board Members and specifically all the staff of Banyan House for their dedication and hard work towards providing the services and delivering the various programs to our residents.



Banyan House

Our Vision

To lead the way in rehabilitation - developing emotionally strong, healthy individuals, families and communities free from the effects of substance misuse.

Our Mission

To understand and reduce the harm to people, families and communities caused by substance misuse and any co-occurring mental health disorders.

Our Values

Community

Encompassing collaboration, participation and fellowship with others.

Respect

Prejudice free consideration of the rights, values and beliefs of all people.

Transparency

Openness in relation to the decisions affecting others and any limitations on such decisions.

Self-Improvement

To be the best we can be.

Contents:

Forster Foundation Board Members 2018 - 2019.....	5
Staff Members 2018-2019	6
Chair’s Report	7
CEO’s Report	8
The Therapeutic Community	10
Business/HR Manager’s Report	14
Audited Financials.....	15

Forster Foundation Board Members 2018 - 2019

Chairperson	Associate Professor Robert Parker
Deputy Chairperson	Ms. Jen Upton (Resigned during this term)
Treasurer	Ms. Jyoti Vemuri
Secretary	Ms. Jennifer McCulloch
Public Officer	Mr. Peter Boyce
Ordinary Board Member	Dr Philip Ventry (Resigned during this term)
Ordinary Board Member	Ms. Ekaterina Katras

Staff Members 2018-2019

Chief Executive Officer	Philip Blunt
Business/HR Manager	Trudy Allpike
Therapeutic Communities Manager	Neil Gray (Leon Gailitis resigned)
Administration	Karyn Britza
Book Keeping	Book Keeping Services NT Pty Ltd
Therapeutic Community Case Worker	Daniel Pate
Intake and Assessment Officer and Case Worker	Rose Dos Reis
Therapeutic Community Support Worker	Candice Gompelman
Therapeutic Community Support Worker	Dorian Goodall
Therapeutic Community Support Worker	Domi Kabangu
Therapeutic Community Support Worker Nights part time	Ian Briggs
Casual Therapeutic Community Support Worker	Yolanda Chirema
Casual Therapeutic Community Support Worker	Sandy Greenoff
Casual Therapeutic Community Support Worker	Michael Aldenhoven

Chair's Report

It is my pleasure to welcome you to the Forster Foundation Annual Report for 2019.

The Foundation has been progressing very well with its therapeutic and organisational agenda under Phil Blunt, his executive team and the dedicated clinicians who assist the residents with their rehabilitation.

Occupancy rates have reflected this success despite evolving challenges such as the No Smoking Policy developed for the Foundation.

I and the Foundation have been very well supported by the Board over 2018/2019. I wish to pay particular tribute to Jen Upton and Philip Ventry who have significantly contributed to the Board but finished their service during this year.

Otherwise, I wish again to pay tribute to the Foundation executive team, clinicians and residents who make such an important contribution to the ongoing success of Banyan House as a vital and resilient resource for effective rehabilitation for individuals suffering from the heavy burden of substance abuse and dependence. I wish the Foundation every continuing success for 2020.

Kind Regards

Associate Professor Rob Parker

Chairperson

CEO's Report

It is my great pleasure to welcome you to the Forster Foundation for Drug Rehabilitation Inc. Annual Report. The past 12 months have seen many challenges and successes at Banyan House.

Staffing

With Leon Gailitis's departure, Neil Gray took up the reins to guide the Therapeutic Community and lead the team. Neil continued to ensure a contemporary Therapeutic Community model was employed throughout the resident program.

We also had one of our support workers resign. Domi Kabangu won this position. Domi has been working at Banyan House, part time for about 3 years and is a valued staff member.

This has been the only movement we have had in our full time staff, we have seen some movement in our casual pool. This is to be expected due temporary nature of this type of employment.

Training and development

Banyan House submitted a proposal to the NT PHN to run a six day Therapeutic Community Training program. The NT PHN approve the funding. Banyan House staff, along with staff from other AOD organisations across the NT attended the six days (three days either side of a weekend. This was run by the Australian Therapeutic Communities Association in Darwin.

AADANT have been funded to help staff to complete the Certificate IV in AOD. Staff at Banyan have taken this opportunity to study and improve their skills and qualifications.

Staff have also had the opportunity to attend a variety of workshops and conferences held in Darwin. AADANT Conference was well received and staff went to one of the two days. Banyan House encourages staff to continue their leaning and development.

The not for profit forum was held for the second year in Darwin, three staff attended the day. This is event allows NFP organisations to learn from each other and to share experiences.

Visits

During the past 12 months we have had visits from:

Our Patron, Her Honour the Honourable Vicki O'Halloran AM, Administrator of the Northern Territory; CEO Windana – Anne Maree Kaser – discussed potential linkages; Mr. Tony Sievers (Member for Brennan); Ms. Ngaree Ah kit (Member for

Karama); Hon Eva Lawler (Member for Drysdale); AOD service from Western Australia and Queensland; Kalano staff from Katherine; DASA staff from Alice Springs; NAAJA; .AOD NT Department of Health; AADANT; and the Commonwealth Department of Health

Upgrades and improvements

We have been working to improve the facilities and make Banyan House a comfortable place for people that have entered our rehabilitation program and a place for the staff to enjoy coming to work.

New energy efficient air conditioning for residents accommodation– funded by AOD, NT Health

Replace flooring in all Residents Rooms, Banyan Hall, Offices and the Demountable – funded by AOD, NT Health

Replaced some of the staff computers with laptops, this is allowing staff to utilise online resources when running education and group session - Minor Community Grant

Upgrade the locks to a fob system, removing issues if keys are lost – Minor Community Grant.

Through a project working with the Department of Business and Innovation. We undertook to look at all our energy usage at Banyan House. The two main users of energy were the Lighting and Air-conditioning.

The Department of Business and Innovation offered a grant to the Board to replace lighting with LED's on a dollar for dollar agreement. The board agreed to this proposal and the lighting was replaced. This is estimated to save a further \$5000 per year.

A project working with PowerWater, looked at the water usage and how we may save into the future. The meter was identified as the wrong size, reducing this has seen a savings of \$4000 per year.

Quality improvement and Accreditation

Accreditation will move from ISO to QIP in 2020. Training and information session have been held by the Department of Health along with QIP (they the preferred accreditation provider by NT Department of Health).

There are always challenges for Banyan House. These challengers are met and overcome by our very talented and dedicated staff, who are focused on the very best outcomes for the residents. I would like to thank the staff for tireless efforts in assisting our residents on their wellness journey.

Finally, I would like to thank the Board for the support they have given supporting the team at Banyan House

Philip Blunt
CEO

The Therapeutic Community

During this financial year the clinical program has undergone some significant challenges and changes.

- Mid reporting period we saw a number of key clinical personnel resign from Banyan House. We took the opportunity to restructure the clinical staff, resulting in a relatively stable team.
- We have transitioned to become a non-smoking facility, which has both improved the health of our residents, but has had a limiting effect on total number of referrals.
- The program has also re-aligned more strongly with Therapeutic Community principles by embedding the residents into our processes such as interviewing staff, program development and offering behavioral feedback to peers. We also now have offering aftercare to past residents who have completed the program.
- We no longer have a 12 week limit to the program. Resident's progress through the phases of the program based upon meeting individual program goals and expectations. These are assessed by the resident themselves, their peers and the staff team. This provides a more holistic view of the individual and their place in the community, encouraging change as the primary goal as opposed to time.

Linkages and partnerships have been a feature of the year with agreements now in place with Berrimah Family Practice (GP) after internal issues within Tristar Medical Group lead to our service needs being compromised. We have also entered into an agreement with Western Diagnostics Pathology that allows us to send residents directly to Western Diagnostics for the purpose of detecting the presence of illicit substances in a sample of urine. We have a working relationship with YWCA to provide a physical activities program to our service, which residents can continued on with after disengaging from our program should they wish to.

We have also commenced a dialogue with 'Crash Course Music' to offer Music Therapy to all residents, encouraging the uptake of musical instrument tuition or engagement in music as a lifelong pursuit.

Strengthening ties with Alcoholics Anonymous and Narcotics Anonymous who provide regular guest speakers. Narcotics Anonymous have been providing guest speaker presentations via Skype, which allows them to include speakers from across Australia and even the USA, which has been warmly received by our residents. Banyan House are also active in AOD policy discussions and ongoing research projects.

Our programs included:

- Facilitated work skills programs
- Co-managed Residential AOD Withdrawal
- Integrated Therapy for comorbid mental illness
- On-site counselling and facilitated access to external counselling/psychology services
- Group Therapy and psych educational groups
- Visiting GP service
- Clinical Assessments
- Family inclusive practice with family support
- Legal and Court Reports
- Relapse prevention program
- Yoga
- Boot Camp/ Swimming
- Music/ Art Therapy

The high number of people presenting with methamphetamine as the principle drug of choice is a major concern. Clinically, these residents require extended withdrawal, are more likely to have experienced symptoms of a mental illness, and have medical issues that require attention. To adapt the Therapeutic Community model for this change, we continue to adopt the Matrix program. This is an evidence-based program for methamphetamine treatment.

We are also offering past residents who had successfully completed the program, to engage with Banyan House once a week as part of aftercare.

In the mid-year we were fortunate enough to have Masters Social work and Psychology student on placement who has been able to provide additional support for clients beyond the Therapeutic Community program, improving our ability to manage residents with more complex presentations. Also, a student in Master in Accountancy helping some of the residents with their tax returns, and helping update Banyan House asset register.

We continue to use the counselling/psychology services at Catholic Care, Amity Community Services, Danila Dilba Strong Steps and Wise Mind psychology to enhance our ability to respond to mental health concerns.

Data Summary:

This year we have had 342 closed episodes of treatment including assessment only episodes. The source of our referrals has been:

- 137 self-referrals
- 128 through lawyers/ corrective services
- 44 other Health/Community services
- 21 from family or other loved ones
- 12 from other agencies.

The high proportion, in comparison to other services, of referrals from lawyers/corrections, does present us with challenges to maintaining a positive recovery culture. The staff do a remarkable job of encouraging a positive culture when the balance is skewed.

Our most common age group to present to our service are 25-29y.o, closely followed by the 30-34 age group.

As can be seen from the data table below, our total numbers of closed episodes has been higher than the previous financial year potentially due to three main factors:

1. High influx of interstate clients due to other rehabilitation bed waitlist.
2. Family intervention.
3. A media article of a successful past resident, which many interstate clients refer to having read.

	2017/18	2017/18%	2018/19	2018/19 %
Closed Episodes of Care	289		342	
Treatment Types				
Assessment Only	176		217	
Rehabilitation	89		110	
Withdrawal Management	24		20	
Other	0		6	
Assessment to treatment ratio		51%		51%
Demographics				
Male	202		239	
Female	87		103	
Other	0		0	
Aboriginal/Torres Strait Islander	110	38%	130	54%

Principle Drug of Concern	2017/18	2017/18%	2018/19	2018/19 %
Methamphetamine	130	48%	185	54%
Alcohol	79	27%	85	25%
Cannabis	57	20%	62	18%
Opioids	10	3%	0	0%
Benzodiazepines	2	<1%	2	<1%
Other	2	<1%	6	2%

It has been a privilege to work with such a dedicated team in an organization with integrity and the respect of the Northern Territory community. Working with people actively working at positive change for themselves and their loved ones is an honour for which I am always grateful.

Rose Dos Reis
Intake and Assessment Coordinator/Case Worker

Business/HR Manager's Report

We have had some changes with Staffing and have recruited vacant positions from our casual staff supporting them with their AOD studies by having first-hand experience in this sector with good mentors from the Senior Staff. Working during the day within the program so they experience and learn to facilitate with the senior team to provide the best outcomes for the Residents.

We continue to have a great relationship with Book Keeping Services NT Pty Ltd.

We have been working through our Quality Management program (LOGIQC) to update the systems in place at Banyan House.

We are also attending the Quality and Compliance Network meetings regularly organized by NTCOSS. This gives an opportunity to network with many other organisations within the "community Sector" we have found it to be valuable to share a lot of our experiences with Quality and Compliance and to see how others do it.

We also sent 3 staff to a two day Management Systems Auditing Training (Internal Auditor BSBAUD402 & BSBAUD504). This course was found to be very successful, the knowledge gained by the staff will prove to be very valuable moving into the new accreditation on 2020.

CentreLink have worked with us, we can now access residents CentreLink information online. The outreach officer is also attending onsite fortnightly, reducing the number of off site visits required by residents, easing the resident's journey. They now offer onsite training for Staff and Residents to set up MyGov accounts, etc.

Trudy Allpike
Business/HR Manager

Audited Financials

THE FORSTER FOUNDATION FOR DRUG
REHABILITATION INCORPORATED

General Purpose Financial Statements

ABN 22 212 785 773

Financial Report - 30 June 2019

**The Forster Foundation for Drug Rehabilitation
Incorporated**

ABN: 22 212 785 773

General Purpose Financial Report For The Year Ended

30-Jun-19

The Forster Foundation for Drug Rehabilitation Incorporated

ABN: 22 212 785 773

General Purpose Financial Report For The Year Ended 30-Jun-19

CONTENTS	Page
Committee Report	1
Auditor's Independence Declaration	2
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Report	7
Declaration by Members of the Management Committee	20
Independent Auditor's Report	21

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
ABN: 22 212 785 773
FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019
COMMITTEE REPORT

Your Committee Members submit the financial report of the Forster Foundation for Drug Rehabilitation Incorporated for the financial year ended 30 June 2019.

Management Committee Members

The names of Management Committee Members throughout the year and at the date of this report are:

A/Prof Robert Parker	Chairperson
Ms Jen Upton	Deputy Chairperson
Ms Jyoti Venuri	Treasurer
Mr Peter Boyce	Public Officer
Ms Jen McCulloch	Secretary
Dr Philip Ventry	Ordinary Board
Ms Ekaterina Katras	Ordinary Board

Committee Member have been in office since the start of the financial year to the date of this report unless otherwise stated.

Objectives

The objective of the Foundation is to provide treatment for people recovering from alcohol and drug addiction.

Strategy for achieving the objectives

The foundation's clinical practice has been subject to similar continuous improvement since inception. The Foundations' Management Committee and staff are committed to good clinical and corporate governance and practice, all focused on assisting client's effective progress through recovery.

Principal Activities

During the financial year the principal continuing activities of the Foundation were providing treatment for people recovering from drug and alcohol addiction.

Significant Changes

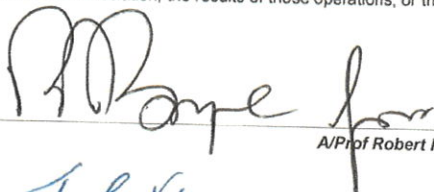
No significant change in the nature of these activities occurred during the year.

Operating Result

The operating loss for the year ended 30 June 2019 amounted to \$(119,654) (2018: loss of (\$158,030)).

After Balance Date Events

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


A/Prof Robert Parker


Ms Jyoti Venuri

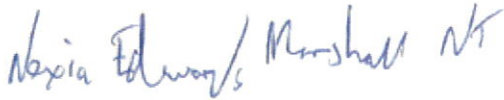
Dated this 14 day of November 2019

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARTITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012**

TO THE MEMBERS OF THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (i) No contraventions of the auditor independence requirements as set out in the *Australian Charities Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.



Nexia Edwards Marshall NT
Chartered Accountants



Noel Clifford
Partner

Date: 15 November 2019

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
ABN: 22 212 785 773
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Grant income	2	1,814,514	1,466,289
Residential income		149,066	150,673
Interest Income		17,540	18,151
Income from sale of assets		21,818	-
Other income		9,919	3,141
Total Income		<u>2,012,857</u>	<u>1,638,254</u>
Expenses			
Employment expenses	3a	1,325,562	1,154,913
Accounting and audit fees		37,180	52,140
Insurance expenses		61,923	55,263
Vehicle expenses		58,641	43,460
General office expenses	3b	76,474	69,985
Repair and maintenance expense		165,567	76,808
Resident expenses		82,338	93,183
Depreciation and amortisation	3c	182,645	123,165
Utillities expense		81,504	74,901
ICT expense		27,898	28,975
Consultany expense		32,779	23,491
Total Expenditure		<u>2,132,511</u>	<u>1,796,284</u>
Net Operating Loss		(119,654)	(158,030)
Total Loss Attributable to Members of the Entity		<u>(119,654)</u>	<u>(158,030)</u>
Other Comprehensive Income		-	-
Gain on revluation of property		-	-
Total Other Comprehensive Income for the year		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO MEMBERS OF THE ENTITY		<u>(119,654)</u>	<u>(158,030)</u>

The accompanying notes form part of these financial statements.

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
 ABN: 22 212 785 773
 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,715,873	1,454,410
Trade and other debtors	5	12,786	25,293
Other current assets	6	14,537	22,462
TOTAL CURRENT ASSETS		<u>1,743,196</u>	<u>1,502,165</u>
NON-CURRENT ASSETS			
Financial assets			
Property, plant and equipment	7	4,391,930	4,464,777
Intangible assets	8	-	20,326
TOTAL NON-CURRENT ASSETS		<u>4,391,930</u>	<u>4,485,103</u>
TOTAL ASSETS		<u>6,135,126</u>	<u>5,987,268</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	511,399	310,370
Employee provisions	10	76,396	18,943
TOTAL CURRENT LIABILITIES		<u>587,795</u>	<u>329,313</u>
NON-CURRENT LIABILITIES			
Employee provisions	10	9,030	-
TOTAL NON-CURRENT LIABILITIES		<u>9,030</u>	<u>-</u>
TOTAL LIABILITIES		<u>596,825</u>	<u>329,313</u>
NET ASSETS		<u>5,538,301</u>	<u>5,657,955</u>
MEMBER'S FUNDS			
Retained surplus		4,898,841	5,018,495
Revaluation reserve	11	639,460	639,460
MEMBERS' FUNDS		<u>5,538,301</u>	<u>5,657,955</u>

The accompanying notes form part of these financial statements.

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
ABN: 22 212 785 773
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Retained Surplus	Revaluation Reserve	Total Members' Funds
Note	\$	\$	\$
Balance at 1 July 2017	5,176,525	639,460	5,815,985
Comprehensive income :			
Profit (Loss) for the year attributable to members of the entity	(158,030)	-	(158,030)
Other comprehensive income for the year	-	-	-
Total comprehensive income (loss) attributable to members of the entity	(158,030)	-	(158,030)
Transfer from (to) Reserves	-	-	-
11	-	-	-
Balance at 30 June 2018	5,018,495	639,460	5,657,955
Balance at 1 July 2018	5,018,495	639,460	5,657,955
Comprehensive income :			
Loss for the year attributable to members of the entity	(119,654)	-	(119,654)
Other comprehensive income for the year	-	-	-
Total comprehensive income (loss) attributable to members of the entity	(119,654)	-	(119,654)
Transfer from (to) Reserves	-	-	-
11	-	-	-
Balance at 30 June 2019	4,898,841	639,460	5,538,301

The accompanying notes form part of these financial statements.

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
ABN: 22 212 785 773
STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants		2,005,827	1,642,615
Receipts from customers		171,446	239,142
Payments to suppliers and employees		(1,865,742)	(1,680,268)
Interest received		17,586	14,871
Net cash provided by operating activities	15	329,117	216,360
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		21,818	-
Purchase of property, plant and equipment		(89,472)	-
Purchase of intangible assets		-	(6,600)
Net cash (used in) investing activities		(67,654)	(6,600)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by/(used in) financing activities		-	-
Net increase in cash held		261,463	209,760
Cash on hand at beginning of financial year		1,454,410	1,244,650
Cash on hand at end of financial year	4	1,715,873	1,454,410

The accompanying notes form part of these financial statements.

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
ABN: 22 212 785 773
NOTES TO THE FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

The financial statements cover The Forster Foundation For Drug Rehabilitation Incorporated as an individual entity, incorporated and domiciled in the Northern Territory. The Forster Foundation For Drug Rehabilitation Incorporated is an incorporated Association and operates pursuant to the Associations Act Northern Territory and Australian Charities and Not-for-Profits Commission (ACNC) Act 2012.

The financial statements were authorised for issue on 14/11/2019 by the Committee Members.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The Forster Foundation For Drug Rehabilitation Incorporated applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Northern Territory Associations Act and the Australian Charities and Not-for-Profits Commission (ACNC) Act 2012. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div. 50 of the *Income Tax Assessment Act 1997*.

(b) Inventories on hand

Inventories held for sale are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

Inventories acquired at no cost or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

The Association held no inventories as at 30 June 2019 (2018 : Nil)

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.

Prescribed Assets

Prescribed Assets are assets purchased by Association funding from government grants.

Freehold property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Property Improvements

Property improvements are measured on the cost basis less accumulated depreciation and any impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
ABN: 22 212 785 773
NOTES TO THE FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

Note 1 Summary of Significant Accounting Policies (Cont.)

(c) Property, Plant and Equipment (Cont.)

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate	
Buildings	2- 5%	Straight line method
Plant and equipment	15-30%	Diminishing value method
Motor vehicles	18.75%-40%	Straight line method

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Association, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in *AASB 15: Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which *AASB 3: Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
ABN: 22 212 785 773
NOTES TO THE FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

Note 1 Summary of Significant Accounting Policies (Cont.)

(e) Financial Instruments (Cont.)

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost; or
- fair value through comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the company made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the company's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
ABN: 22 212 785 773
NOTES TO THE FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

Note 1 Summary of Significant Accounting Policies (Cont.)

(e) Financial Instruments (Cont.)

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
-

the company no longer controls the asset (ie has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the company elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The company uses the following approaches to impairment, as applicable under *AASB 9: Financial Instruments*:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the company assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the company measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the company measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
ABN: 22 212 785 773
NOTES TO THE FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

Note 1 Summary of Significant Accounting Policies (Cont.)

(e) Financial Instruments (Cont.)

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the company assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the company applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(f) Impairment of Assets

At the end of each reporting period, the Association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(g) Employee Provisions

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when liability is settled.

Contributions are made by the Association to employees' superannuation funds and are charged as an expense when incurred.

Short-term employee benefits

Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave.

The Association's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position. Other benefits such as annual leave and long service leave are recognised as employee provisions.

Other long-term employee benefits

The Association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

Provision is made for employees leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period which the employees rendered the related service.

The Association, based on past experience regarding levels of service reached by employees, records long service leave entitlements once an employee reaches 5 years of service with the Association.

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
ABN: 22 212 785 773
NOTES TO THE FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

Note 1 Summary of Significant Accounting Policies (Cont.)

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(i) Trade and Other Debtors

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(j) Revenue and Other Income

Non-reciprocal grant revenue is recognised in profit or loss 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.

If conditions are attached to the grant which must be satisfied before the Association is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the state of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

The Association receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Rental income from operating lease is recognised on a straight line basis over the term of the relevant leases.

All revenue is stated net of the amount of goods and services tax.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(l) Intangible Assets

Software

Software is initially recognised at cost. Where software is acquired at no cost, or for a nominal cost, the cost is its fair value, as at the date of acquisition. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Provisions

Provisions are recognised when the Association 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
ABN: 22 212 785 773
NOTES TO THE FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

Note 1 Summary of Significant Accounting Policies (Cont.)

(p) Critical Accounting Estimates and Judgements

The Committee evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Key Estimates

(i) Impairment - General

The Association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(q) Economic dependence

The Association is dependent on Commonwealth and NT Government grants for the majority of its revenue to operate its programs and business. At the date of this report, the Committee Members have no reason to believe that the above governments will not continue to support the Association. The operations and future success of the Association is dependent upon the continued support and funding by the government bodies, its members and donors and the achievement of operating surpluses and positive operating cash flows.

(r) Fair Value of Assets and Liabilities

the Association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

"Fair value" is the price the Association would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the Association at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Association's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(s) New and Amended Accounting Policies Adopted by the Association

During the current year, the Association adopted all of the new and amended Australian Accounting Standards and Interpretations which became mandatory for application and which were deemed to be applicable to its operation.

These standards and interpretations adopted had a minimal effect on the accounting and reporting practices of the Association as they did not have significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to the Association's operations.

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
 ABN: 22 212 785 773
 NOTES TO THE FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Note 2 Grant Income			
— Commonwealth Funding-Drug and Alcohol Program		371,828	378,974
— NTG-Department of Health Grants		1,110,475	1,087,315
— Other Grants		332,211	-
Total Grant Income		1,814,514	1,466,289
Note 3 Expenses			
a. Employment Expenses			
— Salaries and wages		1,211,596	1,027,580
— Superannuation		109,346	93,687
— Other staffing expenses		4,620	33,646
Total of Employment Expenses		1,325,562	1,154,913
b. Other Expenses			
— Memberships and subscription		3,555	3,945
— Postage, printing and stationery		13,168	15,175
— Accreditation & QMS		7,007	18,139
— Advertising and marketing		3,285	11,501
— Travel and accommodation expense		40,914	4,208
— Other expenses		8,545	17,017
		76,474	69,985
c. Depreciation and amortisation			
— Depreciation		162,319	101,343
— Amortisation of intangible assets		20,326	21,822
		182,645	123,165
Note 4 Cash and Cash Equivalents			
Cash on hand		132	214
Cash at bank		1,036,485	789,289
Term deposits		679,256	664,907
Total Cash and Cash Equivalents	17	1,715,873	1,454,410
Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and Cash equivalents		1,715,873	1,454,410
Note 5 Trade and Other Debtors			
Current			
Trade Debtors		9,552	22,013
Less provision for doubtful debts		-	-
Total receivables		9,552	22,013
Other Receivables			
Accrued interest		3,234	3,280
Total Trade and Other Debtors	17	12,786	25,293

The Association's normal credit term is 30 days.

The Association writes off a trade receivable when there is available information that the debtor is in severe financial difficulty and there is no realistic likelihood of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
ABN: 22 212 785 773
NOTES TO THE FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Note 6	Other Current Assets		
Current			
Prepayments		14,537	22,462
Total Other Current Assets		<u>14,537</u>	<u>22,462</u>
Note 7	Property, Plant and Equipment		
Land			
— At independent revaluation 2017		750,000	750,000
	18	<u>750,000</u>	<u>750,000</u>
Buildings			
— At independent revaluation 2017		3,730,000	3,730,000
Less accumulated depreciation		(196,458)	(79,014)
Total: Buildings	18	<u>3,533,542</u>	<u>3,650,986</u>
Total Land and Buildings		<u>4,283,542</u>	<u>4,400,986</u>
Fixtures and Fittings			
— At cost		164,791	75,320
Less accumulated depreciation		(56,403)	(26,691)
Total Fixtures and Fittings		<u>108,388</u>	<u>48,629</u>
Motor vehicles			
— At cost		88,114	88,114
Less accumulated depreciation		(88,114)	(72,952)
Total Motor Vehicles		<u>-</u>	<u>15,162</u>
Total Property, Plant and Equipment		<u>4,391,930</u>	<u>4,464,777</u>

The property valuation was conducted by Mr Anthony J West FAPI, Certified Practising Valuer, of Colliers International on 13 September 2017. The valuer in conducting the valuation adopted fair value as the valuation basis. Fair value being defined as "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".

Movements in carrying amounts

Movement in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Building \$	Furniture and Fittings \$	Motor Vehicle \$	Total
Balance at 1 July 2018	750,000	3,650,986	48,629	15,162	4,464,777
Additions	-	-	89,472	-	89,472
Disposals	-	(117,444)	(29,713)	(15,162)	(162,319)
Depreciation expense					
Balance at 30 June 2019	<u>750,000</u>	<u>3,533,542</u>	<u>108,388</u>	<u>-</u>	<u>4,391,930</u>

Note 8 **Intangible Assets**

Intangible assets: software - at cost	65,474	65,474
Less: Accumulated depreciation	(65,474)	(45,148)
Total Intangible Assets	<u>-</u>	<u>20,326</u>

Movements in carrying amounts

	Software \$	Total
Balance at 1 July 2018	20,326	20,326
Additions	-	-
Disposals	-	-
Amortisation expense	(20,326)	(20,326)
Balance at 30 June 2019	<u>-</u>	<u>-</u>

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
 ABN: 22 212 785 773
 NOTES TO THE FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

Note 9 Trade and Other Payables

	Note	2019 \$	2018 \$
Trade payables		14,544	10,471
Credit Cards liabilities		1,420	2,684
Accrued expenses		7,981	56,133
Other liabilities		55,368	39,361
Net GST and PAYG payable		51,093	12,041
Unexpended grants/Grants in advance	16	380,993	189,680
Total Trade and Other Payables	9 (a)	<u>511,399</u>	<u>310,370</u>

(a) Financial liabilities at amortised cost are classified as trade and other payables:

Trade and Other Payables			
- Total Current		511,399	310,370
- Total Non Current		-	-
Total Trade and Other Payables		<u>511,399</u>	<u>310,370</u>
Less Unexpended grants		(380,993)	(189,680)
Financial liabilities as trade and other payables	17	<u>130,406</u>	<u>120,690</u>

Note 10 Employee Provisions

CURRENT

Employee provisions - Annual leave		76,396	18,943
		<u>76,396</u>	<u>18,943</u>

NON -CURRENT

Employee provisions - LSL entitlement		9,030	-
		<u>9,030</u>	<u>-</u>

Total Employee Provisions

Analysis of total provisions

Opening balance as at 1 July 2018		18,943	
Additional provisions raised during the year		117,823	
Amounts used during the year (net)		(51,340)	
Balance at 30 June 2019		<u>85,426</u>	

Employee Provisions - Annual Leave Entitlements

The provision for employee benefits includes amounts accrued for annual leave. Based on past experience, the Association does not expect the full amount of annual leave to be settled within the next 12 months. However, the amount must be classified as a current liability because the Association does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlements.

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
ABN: 22 212 785 773
NOTES TO THE FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

Note 11 Reserves - Asset Revaluation Surplus

	2019	2018
	\$	\$
Movements in the asset revaluation reserve:		
Opening balance at 1 July 2018	639,460	639,460
Decrement - Buildings	-	-
Increment - Land	-	-
Balance at 30 June 2019	639,460	639,460

The revaluation surplus records the revaluation of non-current assets. Where revaluation are deemed to represent profits of a permanent

Note 12 Contingent Liabilities

The Management Committee Members are not aware of any contingent liabilities as at 30 June 2019 (2018:\$Nil).

Note 13 Events after the Reporting Period

The Management Committee Members are not aware of any significant events since the end of the reporting period. (2018:\$Nil)

Note 14 Capital and Leasing Commitments

(a) Operating Lease Commitments

	2019	2018
	\$	\$
Being motor vehicles lease payables to Toyota Fleet and Street Fleet.		
Payable - minimum lease payments:		
— not later than 12 months	40,132	22,243
— between 12 months and five years	32,392	13,655
— later than five years	-	-
Total Lease commitments	72,524	35,898

(b) Capital Expenditure Commitments

The Association has no capital expenditure commitments as at 30 June 2019 (2018:\$Nil).

Note 15 Cash Flow Information

	2019	2018
	\$	\$
Reconciliation of Cash Flow from Operating Activities		
Current year Loss attributable to Members of the entity	(119,654)	(158,030)
Non-cash flows in current year surplus:		
— Depreciation expense	182,645	123,165
— Net gain on disposal of property, plant and equipment	(21,818)	-
Changes in assets and liabilities		
— (Increase)/decrease in accounts receivable and	12,507	82,048
— (Increase)/decrease in other current assets	7,925	(17,650)
— Increase/(decrease) in accounts payable and other payables	201,029	225,938
— Increase/(decrease) in employee provisions	66,483	(39,111)
Total Operating Cash Flows	329,117	216,360

Note 16 Grants in advance

<i>Grants in advance</i>		
Department of Health	335,111	88,000
Northern Territory Correctional Services	45,882	101,680
	380,993	189,680

9

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
 ABN: 22 212 785 773
 NOTES TO THE FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

Note 17 Financial Risk Management

The Association's financial instruments consist mainly of deposits with banks accounts, receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019 \$	2018 \$
Financial assets			
Cash on hand	4	1,715,873	1,454,410
Trade and other receivables	5	12,786	25,293
Total financial assets		<u>1,728,659</u>	<u>1,479,703</u>
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	9	130,406	120,690
Total financial liabilities		<u>130,406</u>	<u>120,690</u>

Refer to Note 18 for detailed disclosures regarding the fair value measurements of the Association's financial and non financial assets.

Note 18 Fair Values Measurements

Fair value estimation - Financial Assets and Liabilities

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position.

Note	2019		2018		
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$	
Financial assets					
Cash on hand and at bank	4, 17	1,715,873	1,715,873	1,454,410	1,454,410
Trade and other receivables	5, 17	12,786	12,786	25,293	25,293
Total financial assets		<u>1,728,659</u>	<u>1,728,659</u>	<u>1,479,703</u>	<u>1,479,703</u>
Financial liabilities					
Trade and other payables	9, 17	130,406	130,406	120,690	120,690
Total financial liabilities		<u>130,406</u>	<u>130,406</u>	<u>120,690</u>	<u>120,690</u>

Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- (a) in the principal market for the asset or liability; or
- (b) in the absence of a principal market, in the most advantageous market for the asset or liability."

Non-Financial assets

Note	2019		2018	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Freehold Land (i)	8	750,000	750,000	750,000
Buildings (i)	8	3,533,542	3,533,542	3,650,986
Total non- financial assets		<u>4,283,542</u>	<u>4,283,542</u>	<u>4,400,986</u>

- (i) For freehold land and buildings, the fair values are based on an external independent valuation performed in September 2017, which used comparable market data for similar properties.

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
ABN: 22 212 785 773
NOTES TO THE FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

Note 19 Key Management Remuneration

	2019	2018
	\$	\$
The totals of remuneration paid to KMP of the Association:		
Short-term employee benefits	434,894	358,075
Post-term employee benefits	40,489	30,294
Total	<u>475,383</u>	<u>388,369</u>

Note 20 Other Related Party Disclosure

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel or individual or collectively with their close family members.

Transactions between related parties are on commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no other related party transactions in 2019 (2018 :\$Nil).

Note 21 Association Details

The registered office of the association is:
16 Beaton Road, Berrimah NT 0828
Telephone number: 08 8942 7400

THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED
ABN: 22 212 785 773
DECLARATION BY COMMITTEE MEMBERS
FOR THE YEAR ENDED 30 JUNE 2019

The Management Committee Members of The Forster Foundation For Drug Rehabilitation Incorporated declare that, in the Committee Members' opinion:

- 1 The financial statements and notes, as set out on pages 3 to 19, are in accordance with the requirements of the *Associations Act Northern Territory* and the *Australian Charities and Not for Profits Commission Act 2012* and:
 - a. Comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. Give a true and fair view of the financial position of the Association as at 30 June 2019 and of its performance for the year ended on that date.
- 2 There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.


P. A. Payne

14 November 2019

Dated


J. S. VEMURI

Dated 14 November 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the accompanying financial report of The Forster Foundation For Drug Rehabilitation Incorporated ("the Foundation"), which comprises the statement of financial position as at 30 June 2019, statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Declaration by Members of the Committee.

In our opinion the accompanying financial report of The Forster Foundation For Drug Rehabilitation Incorporated, is in accordance with the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act* and the *Northern Territory of Australia Associations Act*, including:

- a. Giving a true and fair view of the Association's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b. Complying with Australian Accounting Standards to the extent described in Note 1 and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.
- c. the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association.

Basis for Opinion

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

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

Responsibilities of Management and the Committee for the Financial Report

The Committee Members of the Foundation are responsible for the preparation of the financial report that gives a true and fair view – in accordance with Australian Accounting Standards to the extent described in Note 1 to the financial report and the *Associations Act (NT)* and the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The Committee Members are also responsible for such internal control as the Committee Members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FORSTER FOUNDATION FOR DRUG REHABILITATION INCORPORATED (CONT.)

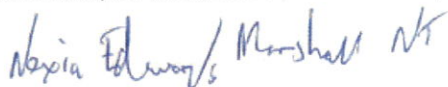
Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Nexia Edwards Marshall NT
Chartered Accountants



Noel Clifford
Partner

Dated: 15 November 2019

