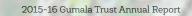


Annual Report 2015-16







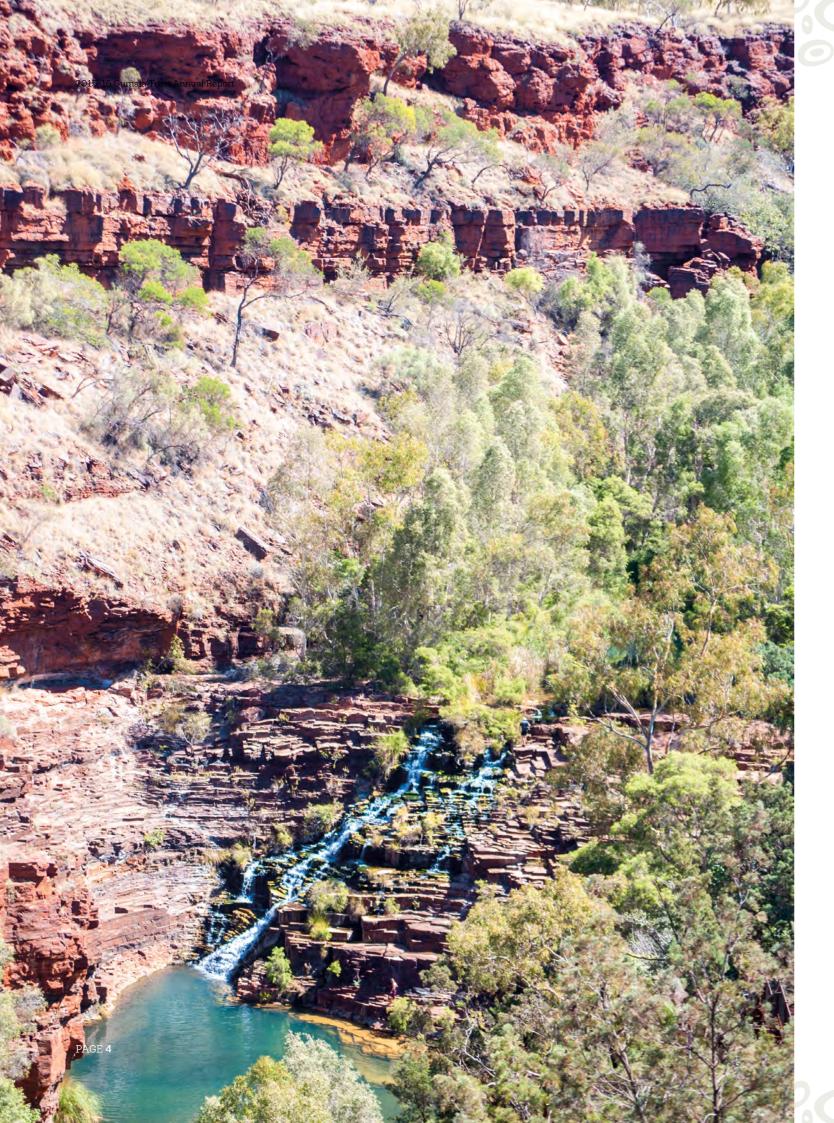
2015-16



2015-16 Gumala Trust Annual Report

TABLE OF CONTENTS

CHAIR'S REPORTS	5
INVESTMENTS	5
PROPERTY	5
OUR PEOPLE	5
BOARD	6
MACROECONOMIC OVERVIEW	7
INVESTMENT PERFORMANCE	7
FINANCIAL MANAGEMENT CONTROLS	8
ANOTHER LEAN YEAR	9
IMPROVING CIRCUMSTANCES	10
SHARED SERVICES	13
FINANCIALS	14



Chair's report

For Gumala beneficiaries and for the organisations that serve them 2016 has been another incredibly tough year.

We have had a number of achievements that are highlighted in this report, but the majority of these achievements have been structural – we have made changes that will serve the Gumala Foundation and its beneficiaries well into the future.

The Trust's significant achievements in 2016 have been structural – we have made changes to how decisions are made and implemented that will serve the Gumala Foundation and its beneficiaries well into the future.

None of the Directors of the Trust came into our jobs in October 2013 wanting to make life harder for people.

Quite the opposite.

As you can see from last year's report, and now this year's as well, we have faced up to the challenges of declining macroeconomic conditions and the implications for Gumala and we've taken those challenges head on.

We continue to improve the way we do business and, with Gumala Aboriginal Corporation, the way we work together to achieve the best possible outcomes with the money with which we are entrusted.

On behalf of the Trust board I would like to take this opportunity to thank the board of GAC for the professional way in which it is conducting its business. The relationship between the two Gumala Foundation entities has never been in better shape.

INVESTMENTS

Beneficiaries long ago accepted the greater risks that come with investing in equities, bonds and other instruments, and asked the Trust to take those risks in order to achieve greater growth of the future fund. There was concern that the Trust's investments (which were mostly in cash and term deposits) weren't seeing the kinds of returns that could be found elsewhere. Ten years ago the Trust began diversifying the Gumala portfolio into the full range of asset classes. Four years ago GAC asked the Trust to invest in residential property in South Hedland and Tom Price.

The past couple of years have shown us what the downside to such investment assets can look like.

The past financial year was a tougher one for international markets, and our investment managers have done well to hold onto the gains that they have made in prior years. Global market players are in an unsettled mood, and seasoned advisers are suggesting that it will be difficult to realise growth of greater than 6-7% over the next few years, so the Trust's advisers will be on their guard to preserve and grow the future fund.

PROPERTY

In 2016 the Trust suspended expensive maintenance expenditure on our commercial property on Adelaide Terrace while we considered an offer for its purchase by developers. We didn't want to waste money on a building that was going to be stripped down anyway.

We achieved an approximately 95% tenancy rate on our residential properties in South Hedland and Tom Price.

Our properties, though, are a drag on the portfolio. For the second year in a row we have had to report significant devaluations on our Pilbara properties. The overall portfolio would have been stable for the year, even grown a little, but for these devaluations.

OUR PEOPLE

On behalf of my fellow Directors, Roy Tommy, Dennis Long, Gavin MacLean, Rachelle Towart and Chris Pye, I would like to express our gratitude to the hard-working staff of the Gumala Trust.

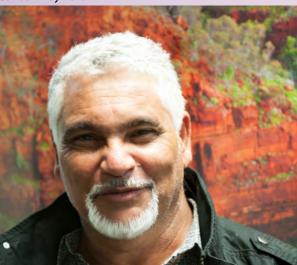
In this report you will see exactly what the creation of the Foundation Shared Services team has meant for the Foundation and its beneficiaries – greater coordination, increased accountability and transparency, at lower cost.

The massive effort involved in the conception and implementation of this approach by the Trust and GAC cannot be overstated.

Our employees turn up to work each day for more than just their pay – they do it because they believe in the Foundation's objective of helping Gumala families to achieve their aspirations for better, more prosperous lives.

They have been through exceptionally uncertain times in the past two years, and I thank them for their continuing dedicated service. 2015-16 Gumala Trust Annual Report

Colleen Hayward



Roy Tommy



Christopher Pye

Rachelle Towart



Gavin MacLean



Dennis Long

2016 - Foundation Consolidation

MACROECONOMIC OVERVIEW

The past year has seen plunging commodity prices, share market volatility and globally significant events such as Britain's decision to leave the European Union.

Overall, our investment managers Morgan Stanley, Giles Wade and NWQ Capital have, in testing circumstances, managed to sustain the value of the non-real estate components of the portfolio.

The Australian economy has proven somewhat resilient in the face of these events, but with inflation below the Reserve Bank of Australia's preferred range and interest rates at record lows there is a high degree of tension domestically.

At a further degree of localisation, the Western Australian economy is being reset at a lower level of activity from its unsustainable peak, and the adjustment isn't easy. Full time unemployment in Western Australia has grown for twenty consecutive months, a new record streak.

Meanwhile, the Pilbara is the hardest hit from this downturn, with potentially worse to come among predictions earlier in the year of 50,000 jobs yet to be stripped from the resources sector nationally. Naturally these will come from regions of greatest mining activity.

In some areas we have some indications that a new plateau may have been found, with residential tenancy rates in Pilbara locations stabilising. It's not a certain bottom, though, and we remain cautious about the prospects for both the region and the State for the next one to two years.

INVESTMENT PERFORMANCE

It has been a lean year in investment performance. Our investment managers Morgan Stanley, Giles Wade and NWQ Capital have done well to make modest capital gains in the non-real estate components of the portfolio.

It is unsurprising, given the tumultuous market conditions of the past year, that investment income has declined moderately.

There are some signs of recovery in rental markets in Pilbara towns, but we do not anticipate a rebound in capital values of any significance for some years. Thankfully we have been able to achieve approximately 95% tenancy rate in our properties.

Unfortunately the drag on the fund from our real estate investments has been exacerbated over the course of 2015-16. Having made significant write-downs in property values in 2015 there has been further material deterioration in the Pilbara which has required acknowledging another devaluation.

The commercial lots at 165 Adelaide Terrace have been under offer for the majority of 2015. As a result, the Trust decided to delay expenditure on replacing the air conditioning system of the building which would have cost approximately \$500,000. Unfortunately that offer did not progress to settlement, and so the Trust is faced with difficult decisions in a very weak commercial tenancy market in the Perth CBD.



2015-16 Gumala Trust Annual Report

FINANCIAL MANAGEMENT CONTROLS

In 2013 and 2014 beneficiaries were pleading with the Trust to take steps to put in place stronger financial management controls for the Foundation.

We listened, we acted, and we believe the Foundation is in a better place today because of the steps that we have taken.

We have worked with GAC to impose some strict controls on the financial management of the Foundation to avoid problems of the past.

The first of these is the move to arrears based funding.

In the past, the Trust provided GAC with its full year's funding in advance. If GAC overspent its budget, it would simply ask for more money – and the only place from where this kind of overspend could be taken is from the Investment IUC which is the means of building the Future Fund. In 2014, for example, GAC asked for an additional \$900,000 because it had overspent its budget.

If we had continued with this practice in 2015, the Foundation would have lost approximately \$20 million.

This is because in May 2014 GAC projected that there would be enough revenue in 2015 to operate a \$34 million budget.

In the end, we were lucky to get \$15 million in 2015.

The Trust saw the downturn coming and refused to provide a full year budget in advance, and the beneficiaries are fortunate that the Trust made this decision.

The Foundation's circumstances would have been a lot worse had this decision not been made and the main impact would have been a greater cost to the Future Fund.

Thanks to an agreement with GAC and some hard work by both the Trust and GAC instead of paying in advance, we now pay in arrears.

This means that GAC has a budget and it sticks to it. If it doesn't spend its budgeted allocation for a particular area, that money can be used by the Foundation for other things. If GAC thinks it will need more money, it can ask to have its budget varied before it incurs the expenditure.

This is a bigger version of how each of us lives, that is we earn our money in advance of spending it. It is the kind of budget discipline that is necessary to ensure that the Foundation is sustainable for the long term and is the only way to truly safeguard the Future Fund.

The second major reform we have made is currently underway.

For many years the Foundation has been spending money before it has received it. The Foundation gets payments from Rio Tinto every three months. In the past, the Foundation would spend what it projected – what it guessed – it would receive from Rio Tinto. If the Foundation got more than it had guessed, that was great.

But in 2014 the Foundation's guesses were wrong in the other way. It started getting much less than it had guessed it would receive.

This year we are saving up all the money we get from Rio Tinto over the course of the year.

That way, when we get to the budget for next financial year we will have a much, much better idea about how much money we have to spend on running the Foundation, on providing projects and programs for beneficiaries, and to

inject into the Future Fund. Put simply, it is like using a debit card rather than a credit card so money is only spent after it's received rather than potentially over-spending like in the past.

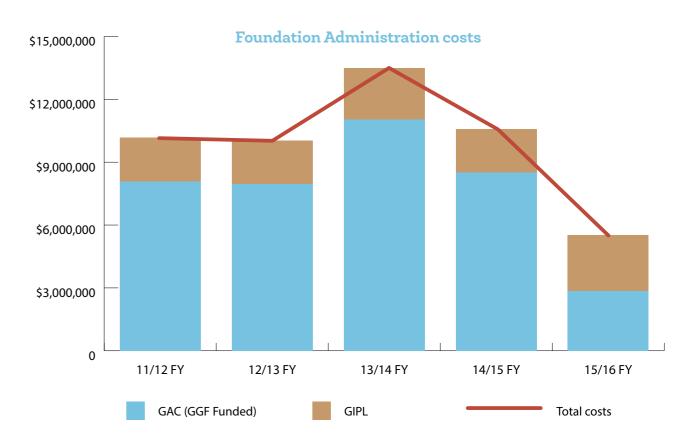
ANOTHER LEAN YEAR

Revenue for 2016 increased by approximately 25% from \$12 million in 2015 to \$16 million this year. We believe that we are now through the worst of the recent downturn and will see increased revenue for the next three to four years. The various controls and procedures that we have implemented will ensure that the Foundation is in the best possible position to gain maximum benefit from this revenue.

We have made deep cuts into the administration costs of the Foundation. Our administration costs have continued to fall for the past two years.

Ensuring that we run a lean Foundation requires constant vigilance. GAC and the Trust are together committed to ensuring that our costs are kept to the bare minimum necessary so that more money is available for projects and to grow the trust fund for future generations.





IMPROVING CIRCUMSTANCES

Increased revenue has meant that the Trust is able to increase funding to GAC for community projects in 2016, and has identified \$5.6m for 2017. This is an increase on the \$900,000 provided in 2016.

We are hopeful that the amount available for 2018 will be more substantial.

GAC is responsible for developing proposals for community projects and the Trust must then assess those proposals and ensure that they are sound financially so that they are able to meet the objectives of the Foundation.

In the past, GAC was given a great deal of freedom about how community projects were run. Unfortunately, this led to some problems. As we know, a small number of people received disproportionately large amounts of assistance. We also know that the projects and programs were very expensive in administration costs.

The Trust and GAC have worked hard to set in place policies and procedures that will ensure that the proposals

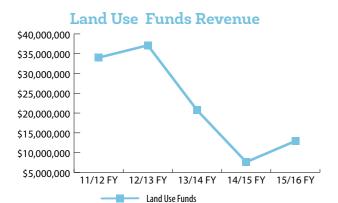
that GAC submits will avoid these problems in the future.

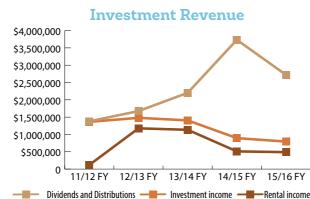
We have had to build these procedures from the ground up, and it hasn't been easy.

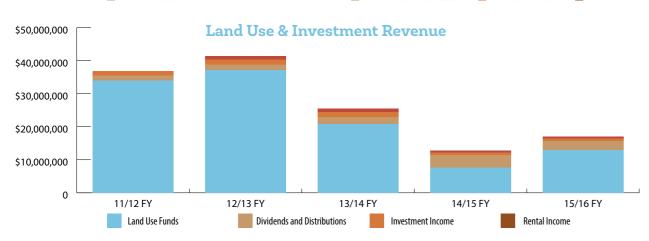
Under these procedures GAC and the Trust are much more focused on outcomes than has been the case in the past. We want to be able to measure and prove that the activities performed by GAC make a real difference in the lives of beneficiaries.

GAC's commitment to working in partnership with other organisations to develop community projects is an excellent way to increase the chances of success, through using Foundation funds as leverage and, through partnerships, achieving greater scale for the projects that it runs.

Beneficiaries can have great confidence that GAC's commitment in this regard is going to mean substantially higher standard projects in the future.











SHARED SERVICES

In 2016 the Foundation created a team of professional services employees, employed by the Trust, which provides services to both the Trust and GAC in governance, financial management, human resources, and IT and facilities. This team is referred to as Shared Services.

We created Shared Services for a few reasons. Even though this might look like the Trust has inflated its administrative costs, the costs are for staff who work for both the Trust and GAC.

A number of recommendations of the Chaney Lennon Review of the Yandi Land Use Agreement in 2013 suggested an approach of this kind, housed within the Trust. Having conducted extensive consultations with beneficiaries, GAC, the Trust and key stakeholders, the reviewers considered that this would improve the governance and financial management of the Foundation and save the Foundation money.

The work in developing how Shared Services would

operate started in 2014 and took over a year to take its current form.

Today, 11 employees perform duties for the Foundation that were once performed by nearly 30 people. The financial management team of four performs work once done by 12. Our three governance employees perform duties once done by six.

And the best part about it is that this approach is delivering greater transparency, greater accountability and better outcomes than ever before.

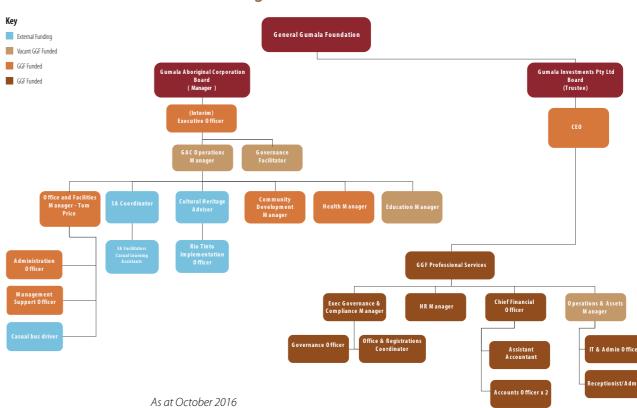
Of course, continuous improvement is essential.

Self-determination for Gumala people through the boards of GAC and the Trustee is critical.

That's why our agreement for how these services are performed is subject to annual review, and we are committed to ensuring mutually beneficially outcomes in accordance with the Foundation's Trust Deed.

General Gumala Foundation

Organisational Structure



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

CONTENTS
Trustee Information13
Directors' Report14
Auditor's Independence Declaration19
Statement of Profit or Loss and Other Comprehensive Income20
Statement of Financial Position
Statement of Changes In Funds
Statement of Cash Flows
Notes to and Forming Part of the Financial Statements
Directors' Declaration
Independent Auditor's Report

GUMALA INVESTMENTS PTY LTD AS TRUSTEE FOR THE GENERAL GUMALA FOUNDATION

ABN 50 336 714 927

Trustee Information

DIRECTORS

Colleen Patricia Hayward (Chair)

Christopher Robert Pye

Dennis Long

Gavin Stuart Maclean

Roy Tommy

Rachelle Towart

COMPANY SECRETARY

Gumala Investments Pty Ltd does not have an appointed Company Secretary and no one has acted in this capacity since the departure of Mark Hands who filled the role from July to September 2014.

REGISTERED OFFICE

Ground Floor

165 Adelaide Terrace

East Perth WA 6004

Tel: +61 8 9287 3900

Fax: +61 8 9325 2660

AUDITORS

Grant Thornton Audit Pty Ltd

Level 1, 10 Kings Park Road

West Perth WA 6005

Tel: +61 8 9480 2000

Fax: +61 8 9322 7787

WEBSITE

www.gumalatrust.com

Directors' Report

The Directors of the trustee company, Gumala Investments Pty Ltd (GIPL) present their report on the operations of the General Gumala Foundation Trust (GGF) for the financial year ended 30 June 2016.

DIRECTORS

The names of the Directors of GIPL in office during the year are:

	C (D: 1 / T		C CD 1411 1	
	Summary of Director's Term		Summary of Board Attendance	
	Term of Office	Position on GIPL Board	Number of Meetings Eligible to Attend	Number of Meetings Attended
BANYJIMA				
Gavin MacLean	1 July 15 – 30 June 16	Director	19	18
INNAWONGA				
Roy Tommy	1 July 15 – 30 June 16	Director	19	10
NYIYAPARLI				
Dennis Long	1 July 15 – 30 June 16	Director	19	15
INDEPENDENTS				
Colleen Hayward	1 July 15 – 30 June 16	Chairperson	19	19
Christopher Pye	1 July 15 – 30 June 16	Director	19	18
Rachelle Towart	1 July 15 – 30 June 16	Director	19	17

Note: During the financial year there were 19 GIPL Board Meetings.

DIRECTORS' REMUNERATION

During the year the Directors of the trustee company received the following remuneration for their services as Directors.

NAME	REMUNERATION RECEIVED (\$)	SUPERANNUATION RECEIVED (\$)	TOTAL (\$)	TERM OF OFFICE DURING FINANCIAL YEAR
Colleen P Hayward	76,000	7,220	83,220	1 July 15 – 30 June 16
Dennis Long	40,002	3,800	43,802	1 July 15 - 30 June 16
Gavin S MacLean	40,000	3,800	43,800	1 July 15 - 30 June 16
Christopher Pye	55,000	5,225	60,225	1 July 15 – 30 June 16
Roy Tommy	40,000	3,800	43,800	1 July 15 - 30 June 16
Rachelle A Towart	47,707	4,532	52,239	1 July 15 - 30 June 16
TOTAL	298,709	28,377	327,086	

Note 1: The Directors did not accept any performance bonus or any other incentives, though a loading was paid to the two Directors who chaired GIPL committees. Note 2: The table refers to actual remuneration received. It does not include costs incurred by GIPL for travel related expenses.

Note 3: Colleen Hayward acted as Managing Director for the year but declined receipt of any additional remuneration for this role.

REVIEW OF OPERATIONS

The General Gumala Foundation has stabilised after a tumultuous 2015, and is now positioned for a resumption of capital injections into the Trust Fund and distributions through the Foundation Manager, Gumala Aboriginal Corporation.

The remedial action taken by the Foundation in 2015 and 2016 has set the Trust on a sustainable footing for its future activities.

Excluding unrealised expense items, the surplus for the Trust would be \$3,935,803. In terms of operating cash flow, the Trust generated a positive \$8,366,134 in 2016. Taking into account unrealised expenses of \$6,480,000 for changes in the values of investments properties, \$1,347,509 for changes in the values of available for sale investments, and a further \$1,025,624 for unrealised losses on available for sale assets, the total comprehensive net deficit for the 2016 financial year is \$4,917,330 (2015: Deficit of \$10,430,110)...

Significant staff restructuring has led to substantially reduced employee costs for the overall Foundation, allowing the Trust to provide monies for approved purposes in accordance with the Income Utilization Categories established in the Trust Deed. The amount of this provision carried forward is \$5,561,451. A number of community projects making use of these funds have already commenced.

Gumala Aboriginal Corporation and Gumala Investments Pty Ltd have also agreed to replace advance funding arrangements with funding in arrears. This arrangement took effect in 2016 and has seen high degrees of financial discipline result in greater expense certainty for the Foundation.

Please refer to the audited financial report from page 22 for details on the financial performance and results for the financial year.

KEY HIGHLIGHTS

The 2016 financial year has been a period of consolidation for the Foundation, with the administrative expenditure to run the Foundation entities of Gumala Investments ("GIPL") and Gumala Aboriginal Corporation ("GAC") reducing from \$15.0 million in 2014 to \$12.0 million in 2015 to \$6.9 million in 2016.

Land Use Agreement compensation increased in 2016 to \$12.94 million after having previously fallen by 63% in 2015 to \$7.61 million from \$20.74 million in 2014. The large decrease is due to changes in Rio Tinto's method of extraction at the Yandicoogina mine.

Investment holdings decreased to \$87.94 million as at 30 June 2016, which is a decrease of \$0.60 million on the previous figure of \$88.54 million as at 30 June 2015.

Trustee Company's liabilities total \$7.11 million, which includes \$5.56 million for the funding of member programs for 2017 and \$0.84 million for the funding of GAC for the June 2016 quarter.

Within these figures are some significant movements, as can be seen in the table below and in Note 15.

	30 JUNE 2016	30 JUNE 2015
Cash and cash equivalents	13,185,734	13,609,607
Investment properties	14,875,000	21,355,000
Available for sale financial assets	59,881,412	53,571,884
Total Investments	87,942,146	88,536,491

CASH POSITION

The cash position of the Trust has declined by \$0.42 millionin 2016 with operations generating a positive \$8.37 million contributing the bulk of the \$8.84 million cash that was added to the investment holdings.

INVESTMENT PROPERTY

The decline in the mining industry continued to affect the Western Australian economy and subsequently property prices in the Pilbara region fell further in 2016 after incurring significant declines in 2015. The Foundation has an accounting policy of performing formal valuations for investment properties at least once every three years and, given the state of the real estate market in 2016, the Foundation has had the values of its residential investment properties appraised independently again. Following this appraisal the Foundation recognised a reduction in the fair value of \$6.48 million for the investment properties portfolio (2015: Reduction in value of \$6.55 million).

TRADE AND RECEIVABLES

The trade and receivables position of the Trust has increased by \$2,460,808.

Trade and receivables includes the accrued income, with the primary component being the amount that

accrued from the Yandi Land Use Agreement for the final three months of the year. Other accrued income includes dividends and distributions from investments that are declared prior to 30 June but paid in the new financial year.

REVENUES

Revenue from the Yandi Land Use Agreement increased to \$12,938,584 from \$7,612,921 in 2015, but is still well down on the amounts received in 2014 (\$20,740,515) and 2013 (\$37,121,649).

The decline in property markets continued to affect rents in Perth, Tom Price and South Hedland, however the tenanting out of the South Hedland properties in 2016 has resulted in there being a minimal overall fall in rental income compared to 2015.

The decline in interest rates over the year resulted in interest received during the year falling by \$100,545.

ADMINISTRATION COSTS

GIPL increased its employee benefits costs by \$816,572, primarily as a result of the establishment of the Foundation Shared Services Team from 1 September 2015 providing shared services to both GIPL and GAC. The Foundation Shared Services Team cost \$1,006,674 for the period to 30 June 2016 and enabled Foundation-wide employment costs to reduce overall. Other management and administration costs reduced by \$208,407.

REDUCED PAYMENTS TO GAC

GAC reduced its request for administration funding by \$3,776,618 (58%) compared to 2015. This has enabled more funds to be made available for member benefits totalling \$6,530,130, with \$5,561,451 of this amount being carried forward and made available for member programs in 2017.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

BOARD AND STAFF RENEWAL

The board members all continued from 2015 and served throughout the full 2016 year.

On 1 September the Foundation Shared Services Team was established in order to consolidate professional and administrative employment costs for GIPL and GAC and leverage the available skills and experience across

both organisations. This consolidated team covers finance, governance, human resources and information technology for both entities and the structure is consistent with Chaney-Lennon Review recommendations 4, 5 and 6. All of the shared services team are employed through GIPL with their work being across the whole of the GGF. None of the Shared Services team exercise any decision-making authority over the affairs of Gumala Aboriginal Corporation, but only provide advice and implement decisions as directed by the executive management of Gumala Aboriginal Corporation.

The only GIPL employee now solely dedicated to GIPL's affairs is CEO Rewi Lyall.

PRINCIPAL ACTIVITIES

The principal activities of the GGF are the funding of community projects which benefit Beneficiaries and investment of trust funds as directed by the GGF Trust Deed.

AFTER BALANCE DATE EVENTS

In September 2016 Gumala Enterprises Trust (GET) approached the Foundation to negotiate an agreement for the repayment of unpaid distributions. As at 30 June 2015 the balance of unpaid distributions receivable by the GGF from GET totalled \$3,329,302 and was fully provided for as a result of uncertainty regarding its recoverability. This situation remained the same for 30 June 2016. Given the early stage of the negotiations, no change will be noted in the accounts until greater certainty is established on the sum payable and actual payments are received by the GGF.

FUTURE DEVELOPMENTS

GIPL will continue to review all income into the Foundation while looking to diversify income streams to grow the Future Fund. As Trustee, GIPL is also mindful of the need to provide monies to fund projects and programs that fall within approved Income Utilisation Categories.

The GIPL Board continues to look to further enhance the opportunity to work with GAC to achieve greater self-determination and cost efficiencies for the Foundation.

GIPL supports GAC's strategic approach to foster partnerships with specialist providers to assist the Foundation in service delivery of programs to achieve specific outcomes across the spectrum of approved Income Utilisation Categories.

RISK MANAGEMENT

ENVIRONMENTAL RISK MANAGEMENT

GIPL, as GGF Trustee, acknowledges the importance of environmental regulations and is aware of its responsibilities in this area. The Entity is not required to report on any specific issues relating to this area, nor has it received any correspondence from any regulatory body to that effect. Similarly GIPL has not received any complaints in relation to potential environmental non compliance issues

INTERNAL RISKS

Changes to the Board of Directors may affect organisational direction in a way which would be different to non-Traditional Owner controlled organisations.

FUNDING RISK

The amount of compensation received from Rio Tinto under the terms of the Yandi Land Use Agreement for the benefit of the Traditional Owners did increase in 2016 however is still well down on the sums received in 2014 and 2013. For the Foundation to better manage the risk from income fluctuations the implementation of the Foundation Shared Services Team has enabled the sharing and leveraging of administrative costs to ensure the Foundation operates at the lowest possible cost. This provides the maximum amount of funds for member programs and ensures that administrative costs continue to be minimised in the future as revenues increase again.

INVESTMENT RISKS

Listed investments held in the Trustee's portfolio are exposed to securities price risk and their market prices will fluctuate according to the public market forces. Such risk is managed through diversification of investments across industries and geographic locations by the investment advisers.

OTHER EXTERNAL RISKS

Governments, and their policies and procedures, regularly change. On a global level, the political landscape is constantly evolving. Wars and conflicts affect many countries every day and can impact on the global economy which can have a knock-on effect on the Foundation investment income.

BOARD COMMITTEE MEETINGS

In 2015/16 the following Committees were operational:

- · Joint Investments Committee;
- Audit & Risk Committee; and
- Joint Applications Committee

All committees have been reconstituted as Foundation committees with membership comprising directors from both GIPL and GAC. Foundation Charters have been endorsed by both GAC and GIPL Boards in relation to both the Investments and Audit and Risk Committees.

FOUNDATION INVESTMENTS COMMITTEE

The Investments Committee was established in 2012 to fulfil obligations by the Trustee to consult with The Manager in relation to Investments, as reflected in Clause 8 of the Trust Deed. A primary responsibility of the Foundation Investments Committee is to review the GGF policies relating to the execution of the 'Utilisation of Income' of the Trust, as well as making recommendations to the GIPL Board on matters concerning the implementation of these policies and on matters concerning implementation of the Trustee's endorsed investment strategy. The Investments Committee is an advisory committee to the Board.

FOUNDATION AUDIT AND RISK COMMITTEE

The Audit and Risk Committee's primary role is to oversee GAC and GIPL's Governance, Risk and Internal Control Framework to ensure the organisation sustains effective and efficient operations, maintains the integrity of financial and non-financial information, protects its assets, and complies with applicable laws, standards, policies and procedures, contracts and best practice, including the fulfilment of its external accountability responsibilities. The principal responsibilities of the Foundation Audit and Risk Committee are in the areas of Risk Management, Control Framework, Legislative and Regulatory Compliance, Internal Audit and External Audit.

During 2016 the Audit and Risk Committee:

- recommended the implementation of a Foundation Risk Management Framework now approved by both GAC and GIPL Boards; and
- updated the manner in which risk registers are assessed and reported providing greater focus on controls and proposed risk treatments.

2015-16 Gumala Trust Annual Report - Financial Statements 2015-16 Gumala Trust Annual Report - Financial Statements

FOUNDATION APPLICATIONS REVIEW COMMITTEE

The Committee is established as a sub-committee of the GIPL and GAC Boards for the purpose of reviewing and making recommendations on individual applications for Beneficiary Status under the Trust Deed and Membership Status under the GAC Rule Book respectively. This Committee is the "representative committee" under Clause 12.4 of the GGF Trust Deed, for the purpose of deeming Traditional Owners, and making recommendations in that regard.

The major responsibilities of the Committee are to:

- Assess all received applications for Beneficiary/ Membership Status in a deliberative, consultative and good faith manner;
- Make recommendations to the GIPL and GAC Boards about received applications, with advice to accept, reject or defer;
- For Directors to provide leadership, advice and lead debate with regards to applications that are the same as their respective language group;
- · Provide advice about process, policy and procedures in connection to the Traditional Owner Register and the GAC Register of Members;
- Consult with the Traditional Owners, particularly Elders: and
- · Manage any risks associated with the application process.

COMPENSATION OF KEY MANAGEMENT PERSONNEL

The aggregate compensation made to Directors and other members of key management personnel is set out below.

	Year ended	Year ended
	30 June 2016	30 June 2015
Directors	327,086	317,382
Key Management Personnel	834,421	220,329
Total	1,161,507	537,711

KEY MANAGEMENT PERSONNEL

Key management personnel of The General Gumala Foundation consists of the following:

NAME	TITLE
Rewi Lyall	GIPL Chief Executive Officer
Vic Grant	Foundation Executive Manager Governance
Laura Coe	Foundation Operations and Assets Manager
Laureen Floyd	Foundation Human Resources Manager
John Raftis	Foundation Chief Financial Officer

REMUNERATION BANDS

REMUNERATION BAND (\$)	2015/16	2014/15
0 – 50K	-	-
50 – 100K	-	-
100 – 150K	1	1
150 – 200K	3	2
200 – 250K	-	
250 – 300K	1	1

INDEMNIFYING OFFICERS OR AUDITORS

During the Financial Year, the Trustee has paid a premium in respect of insuring Directors and Officers of the Trustee. The terms of the premium paid are commercial-inconfidence and, therefore, have not been disclosed.

The Trustee has not entered into any arrangement to indemnify the auditors.

PROCEEDINGS ON BEHALF OF THE ENTITY

There are no current or outstanding proceedings against the Trustee. No person has applied for leave of court to bring proceedings on behalf of the Trustee or intervene in any proceedings to which the Trustee is a party for the purpose of taking responsibility on behalf of the Trustee for all or any part of those proceedings. The Trustee was not a party to any such proceedings during the year and up to the signing of this report.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditors Independence Declaration for the financial year ended 30 June 2016 has been received and is included on the following page.

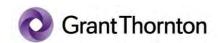
The Director's Report is made in accordance with a resolution of the Board of Directors:

On behalf of the Board of Directors:

Director: Chairperson – Colleen Hayward AM

Dated this 4th October 2016

Auditor's Independence Declaration



10 Kings Park Road

West Perth WA 6872

T+61 8 9480 2000 E info.wa@au.gt.com

Auditor's Independence Declaration

To the Directors of Gumala Investments Pty Ltd ATF The General Gumala

As the lead auditor of Gumala Investments Pty Ltd ATF The General Gumala Foundation for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the

Great Thanton

GRANT THORNTON AUDIT PTY LTD Chartered Accountants

Partner - Audit & Assurance

Perth, 5 October 2016

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PAGE **21** PAGE 20

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	30 June 2016 (\$)	30 June 2015 (\$)
REVENUE			
Land Use Funds	2(a)	12,938,584	7,612,921
Investment Income	2(a)	3,512,487	4,626,641
Rental Income	2(a)	488,745	510,881
Total Revenue		16,939,816	12,750,443
OTHER INCOME			
GET Distribution	2(a)	-	901,929
Grant funding returned from GAC		-	260,987
Fair value gain on disposal of available-for-sale financial assets		302,063	263,679
Other Income		27	-
Total Other Income		302,090	1,426,595
Total Revenue and Other Income		17,241,906	14,177,038
EXPENDITURE			
Impairment of available-for-sale financial assets	9	1,347,509	1,081,586
Impairment of investment properties	8	6,480,000	6,548,251
Employee benefits expense	2(b)	1,674,994	858,422
Management & administration expenses	2(c)	996,719	1,205,126
Depreciation expense	5	23,102	37,294
Amortisation expense	7	197,360	228,214
Loss on disposal of intangible assets	7	-	50,822
Provision for doubtful debt	4	-	3,329,302
Investment rental expenses and outgoings		637,492	409,045
Manager operating costs	2(e)	2,701,430	6,478,048
Member benefit grant funding costs	2(f)	6,530,130	4,458,845
Other expenses	2(d)	-	2,175
Total Expenditure		20,588,736	24,687,130
(DEFICIT) FOR THE YEAR		(3,346,830)	(10,510,092)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Net unrealised gain / (loss) on available-for-sale financial assets	8	(1,025,624)	448,465
Items that will not be reclassified subsequently to profit or loss:			
Unrealised loss from revaluation of property, plant and equipment			(368,483)
Net realised loss from previous unrealised gains on available-for-sale financial assets		(544,876)	
Total Other Comprehensive Income		(1,570,500)	79,982
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(4,917,330)	(10,430,110)

This Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	30 June 2016 (\$)	30 June 2015 (\$)
ASSETS			
Current Assets			
Cash and cash equivalents	3	13,185,734	13,609,607
Trade and other receivables	4	5,933,633	3,472,825
Total Current Assets		19,119,367	17,082,432
NON-CURRENT ASSETS			
Trade and other receivables	4	321,719	422,515
Property, plant and equipment	5	375,035	352,508
Intangible assets	6	101,186	298,546
Investment properties	7	14,875,000	21,355,000
Available for sale financial assets	8	59,881,412	53,571,884
Total Non-Current Assets		75,554,352	76,000,453
TOTAL ASSETS		94,673,719	93,082,885
LIABILITIES			
Current liabilities			
Trade and other payables	9	6,998,537	570,644
Provisions	10	83,389	29,068
Total Current Liabilities		7,081,926	599,712
Non-Current Liabilities			
Provisions	10	25,950	
Total Non-Current Liabilities		25,950	
TOTAL LIABILITIES		7,107,876	599,712
NET ASSETS		87,565,843	92,483,173
FUNDS			
Member funds		81,778,142	85,124,972
Asset revaluation reserve	11	50,300	50,300
Financial assets reserve	11	5,737,401	7,307,901
TOTAL FUNDS		87,565,843	92,483,173

This Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 30 JUNE 2016

	Note	Member Funds (\$)	Asset Revaluation Reserve (\$)	Financial Assets Reserve(\$)	Total (\$)
30 JUNE 2015 FINANCIAL YEAR					
Balance at 1 July 2014		95,635,064	418,783	6,859,436	102,913,283
Net deficit		(10,510,092)			(10,510,092)
Other comprehensive income		-	(368,483)	448,465	79,982
Total comprehensive income for the year		(10,510,092)	(368,483)	448,465	(10,430,110)
BALANCE AT 30 JUNE 2015		85,124,972	50,300	7,307,901	92,483,173
30 JUNE 2016 FINANCIAL YEAR					
Balance at 1 July 2015		85,124,972	50,300	7,307,901	92,483,173
Net deficit		(3,346,830)	-	-	(3,346,830)
Other comprehensive income		-	-	(1,570,500)	(1,570,500)
Total comprehensive income for the year		(3,346,830)	-	(1,570,500)	(4,917,330)
BALANCE AT 30 JUNE 2016		81,778,142	50,300	5,737,401	87,565,843

This Statement of Changes in Funds should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

		20 1 2016	20 1 2015
	Note	30 June 2016	30 June 2015
	11010	(\$)	(\$)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from:			
Land use YLUA funds		9,792,330	11,236,192
Dividend income		3,419,605	2,561,550
Interest income		700,372	934,375
Rental income		520,902	461,521
GET distribution		-	2,639,198
Other Income		27	-
Payments to suppliers and employees		(3,441,299)	(4,598,155)
Payment for grant funding of member benefits		(2,625,803)	(15,532,981)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	12	8,366,134	(2,298,300)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment			-
Purchase of property, plant and equipment & software		(45,629)	(59,246)
Purchase of available-for-sale investments and property investments		(15,103,603)	(13,600,332)
Proceeds from disposal of available-for-sale investments		6,258,429	6,040,178
NET CASH USED IN INVESTING ACTIVITIES		(8,890,803)	(7,619,400)
Cash Flows From Financing Activities			
Repayment of GHOS loans		100,796	15,071
NET CASH PROVIDED BY FINANCING ACTIVITIES		100,796	15 071
NEI CASH PROVIDED DI FINANCING ACTIVITIES		100,790	15,071
Net decrease in cash held		(423,873)	(9,902,629)
net decrease in additition		(723,013)	(7,702,027)
Cash and cash equivalents at beginning of the financial year		13,609,607	23,512,236
and and agreed at beginning of the mandary car		13,007,007	23/3 12/230
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	3	13,185,734	13,609,607
The control of the co		,, .	.,

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The financial statements cover the economic entity of Gumala Investments Pty Ltd as trustee for the General Gumala Foundation as a Reporting Trust and is established and domiciled in Australia with its registered office at Ground Floor, 165 Adelaide Terrace, East Perth, WA 6004.

The financial statements were authorised for issue on 16th September 2016 by the Directors of the trustee company.

Note 1: Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board as issued by the International Accounting Standards Board. The Trust is a not for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(b) New Accounting Standards for Application in Current and Future Periods

In the financial year ended 30 June 2016, the Trust has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015. It has been determined by the Trust that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Trust accounting policies.

In addition, the AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods.

The Trust has taken steps to ensure timely application of these standards. The new and amended standards that are relevant to the Company are listed below:

AASB 9 Financial Instruments

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The effective date for this standard is for annual reporting periods beginning on or after 1 January 2018. GIPL is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the Trust's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118: Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations. In summary, AASB 15:

- · establishes a new revenue recognition model;
- changes the basis for deciding whether revenue is to be recognised over time at a point in time;
- provides a new and more detailed guidance on specific topics (eg multiple element arrangements, variable pricing, rights of return and warranties); and
- expands and improves disclosures about revenue.

When this Standard is first adopted for the year ending 30 June 2018, there is not expected to be any material impact on the transactions and balances recognised in the financial statements.

(c) Income Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Land Use Funds

Land use compensation payments from Rio Tinto arising from the Yandi Land Use Agreement (YLUA) are recognised at the time the right to receive payment is established.

(ii) Interest Revenue

Interest revenue is recognised using the effective interest method, with interest accrued over the relevant period using the effective interest rate, which for floating rate financial assets is the rate inherent in the instrument.

(iii) Dividend and distributions

Dividend revenue from the AFS financial assets are recognised at the time the Trust once the right to the dividends payment is established. Distributions from GET are recognised when they are declared.

(iv) Fair value gain on disposal of available-forsale financial assets

Gains or losses on the disposal of AFS financial assets are calculated as the difference between the fair value at sale and the cost value when it was purchased. They are recognised in profit or loss once sold, after removing any gains that are contained in the AFS Reserve.

(v) Rental Income

Rent received is as a result of income earned on a rental property. The rent received is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

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

(d) Income Tax

The Trust has been registered under the provisions of The Charitable Fundraising Act 1991 and under Subdivision 50-B of the Income Tax Assessment Act 1997, it is an income tax exempt charitable entity.

(e) 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 or 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.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, short term bank deposits with maturities of six months or less. Cash is recognised at its nominal value.

(g) Property, Plant and Equipment

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

The carrying amount of plant and equipment is reviewed annually by key management personnel to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

Depreciable property plant and equipment assets are writtenoff to their estimated residual values over their estimated useful lives using the straight-line method of depreciation. Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

The estimated useful lives used for each class of depreciable assets are:

Class of Fixed Asset Depreciation Rate

Buildings 2 -3%Furniture and Equipment 20 - 40%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(h) Intangible Assets

Recognition of intangible assets

Acquired computer software and computer licenses are capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing.

The following estimated useful lives are applied:

Software: 20 - 40%

Amortisation has been included within depreciation, amortisation and impairment of non-financial assets. Subsequent expenditures on the maintenance of computer software are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

(i) Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation, and are accounted for using the fair value model.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are re-valued once every 3 years and are included in the statement of financial position at their open market value. These values are supported by market evidence and are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property.

Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss within change in fair value of investment property.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of an investment property is recognised in profit or loss in the year of disposal.

(j) Impairment of Assets

At the end of each reporting period, the Trust assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

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

(k) Trade and Other Payables

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

(I) Provisions

Provisions are recognised when the Trust 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Employee Benefits

Provision is made for the Trust's obligation for 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 sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Trust's obligations for short-term employee benefits are recognised as a part of current trade and other payables in the statement of financial position.

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

Superannuation

The Trust pays fixed contributions at the statutory rate to defined contribution plans as specified by the choice of the employees. The Trust has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

(n) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts

estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) Available-for-sale financial assets

Availableforsale financial assets ('AFS Financial Assets') are nonderivative financial assets, principally equity securities, which are either designated as such by management or not suitable to be classified into other categories of financial assets due to their nature. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

AFS financial assets are stated at fair value and gains that arise from changes in fair value are recognised in other comprehensive income and accumulated in the financial assets reserve. Losses in fair value below cost are recognised directly in profit and loss.

AFS financial assets are included in noncurrent assets, except for those which are expected to mature within 12 months after the end of the reporting period (All other financial assets are classified as current assets).

(ii) Loans and receivables

Loans and receivables are nonderivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as noncurrent assets.)

(iii) Financial liabilities

Nonderivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including

recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

In the case of AFS financial assets, a significant or prolonged decline in the market value of the equity investments classified as AFS Financial Assets is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of noncash assets or liabilities assumed is recognised in profit or loss.

(o) Leases

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

(p) Economic Dependence

The Trust is dependent upon the ongoing receipt of land use compensation payments from Rio Tinto arising from the Yandi Land Use Agreement (YLUA) to ensure the ongoing continuance of its operations. At the date of this report, the Directors of the Trustee has no reason to believe that this financial support will not continue but note that the amount of compensation payable under the YLUA is dependent on market changes in the price of iron ore which can change significantly.

(q) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the financial report 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 Trust.

Key Estimates - Impairment

The Trust assesses impairment at each reporting date by evaluating conditions specific to the Trust that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

As a result of this impairment assessment, the following has been recorded:

- A value of \$6,480,000 (2015: 6,548,251) has been recorded as impairment of investment properties in the statement of profit or loss and other comprehensive income. Refer to Note 7;
- A value of nil (2015: 363,483) has been recorded as other comprehensive income due to the revaluation of the property, plant and equipment. Refer to Note 5;
- A value of \$1,347,509 (2015: 1,081,586) has been recorded as impairment of AFS financial assets during the year in line with the policy at Note 1(n). This amount has been recorded in the statement of profit or loss and other comprehensive income. Refer to Note 8.

Key Judgement - Receivables

The Trust assesses at each reporting date the recoverability of its receivable balances. Where evidence exists that the amount might not be recoverable, the recoverable amount to be recorded is considered.

During the previous reporting year, the Trust received \$2,639,198 from the GET Distribution. Refer to Note 4 and the Statement of Cash Flows. After receiving these funds, a further distribution of \$901,929 was declared (Refer to Note 2a), leaving \$3,329,302 receivable at 30 June 2015. The Trust provided for the debt as doubtful, based on the financial position of GET. As at 30 June 2016 the Trust is still pursuing the payment of the GET distributions and maintains the view of the debt as being doubtful.

Note 2

(a) Revenue

	30 June 2016 (\$)	30 June 2015 (\$)
Land use funds	12,938,584	7,612,921
TOTAL LAND USE FUNDS	12,938,584	7,612,921

The above represents land use compensation payments from Rio Tinto arising from the Yandi Land Use Agreement (YLUA).

	30 June 2016 (\$)	30 June 2015 (\$)
Investment Income		
Dividend and distributions	2,718,758	3,732,367
Interest income	793,729	894,274
TOTAL INVESTMENT INCOME	3,512,487	4,626,641

The above relates to the return of income from term deposits and available-for-sale financial investments. Refer to Note 8.

	30 June 2016 (\$)	30 June 2015 (\$)
Rental Income		
Rental income — Tom Price and South Hedland Houses	413,042	415,051
Rental income — 165 Adelaide Terrace	75,703	95,830
TOTAL RENTAL INCOME	488,745	510,881

The above relates to the receipt of gross rental income which is derived from investment properties. Refer to Note 7.

	30 June 2016 (\$)	30 June 2015 (\$)
GET Distribution	-	901,929
DECLARED DISTRIBUTION FROM GUMALA ENTERPRISES TRUST	-	901,929

The above represents the profit distribution declared from the Gumala Enterprises Trust for the 2016 and 2015 financial years. There was no distribution for 2016 and the Trust determined in 2015 that the balance of the distributions from 2015 and prior years must be considered doubtful debt. The Trust maintains that view in 2016 (Refer to Note 4).

(b) Employee benefits expense

	30 June 2016 (\$)	30 June 2015 (\$)
Wages & Salaries	1,483,073	756,473
Superannuation	135,176	69,255
Employee benefit provisions	56,745	32,694
TOTAL EMPLOYEE BENEFITS EXPENSE	1,674,994	858,422

The majority of employee benefit expenses relate to employees whose duties comprise of providing services to both GAC and GIPL under a Shared Services approach implemented. The CEO of GIPL, Mr Rewi Lyall, is the only GIPL employee not providing services to GAC under Shared Services.

The 'employee benefit provisions' expense accounts for the increase in accrued leave entitlements for employees during this period. A number of GAC staff transitioned to GIPL in September 2015 to take up Foundation roles and GIPL has taken over responsibility for their leave entitlements accrued whilst working for GAC.

	30 June 2016 (\$)	30 June 2015 (\$)
GIPL	668,320	858,422
Foundation Shared Services (GIPL & GAC)	1,006,674	-
TOTAL EMPLOYEE BENEFITS EXPENSE	1,674,994	858,422

GIPL employee benefits costs includes directors' fees and, the CEO salary costs for the full year in addition to the costs of all other staff for the period 1 July – 31 August 2015.

The Foundation Shared Services Team was created on 1 September 2015 and the costs for those team members are recognised from that date until 30 June 2016. The Foundation Shared Services Team performs work for both GIPL and GAC.

(c) Management and administration expenses

	30 June 2016 (\$)	30 June 2015 (\$)
Auditors	57,000	47,446
Investment adviser fees	203,468	235,375
Legal fees	71,782	170,502
Consultant fees - Administration	28,139	435,827
Other management and administration expenses	636,330	315,976
TOTAL	996,719	1,205,126

Included above are amounts recorded as an expenses to auditors, consultants, lawyers, and investment advisers for the financial year.

	30 June 2016 (\$)	30 June 2015 (\$)
GIPL	565,999	1,205,126
Foundation Shared Services (GIPL & GAC)	430,720	-
TOTAL MANAGEMENT AND ADMINISTRATION EXPENSES	996,719	1,205,126

The Foundation Shared Services Team was created on 1 September 2015 and the costs incurred for providing support services for both GIPL and GAC are recognised from that date until 30 June 2016.

(d) Other expenses

	30 June 2016 (\$)	30 June 2015 (\$)
Beneficiaries register costs comprises:		
Anthropological services	-	2,175
TOTAL	-	2,175

The Trust finalised the GGF review of the Register of Traditional Owners and adopted new procedures with GAC for the review and approval of applications for recognition as beneficiaries of the Trust.

(e) Manager operating cost

	30 June 2016 (\$)	30 June 2015 (\$)
Manager operating costs	2,701,430	6,478,048
TOTAL MANAGER OPERATING COSTS	2.701.430	6,478,048

Administration expenses, requested by and paid to the Foundation Manager, Gumala Aboriginal Corporation, for the financial year.

(f) Member grant funding expenses

	30 June 2016 (\$)	30 June 2015 (\$)
Business Development Grants	176,411	676,269
Community Development Grants	175,690	1,576,429
Cultural Purposes Grants	-	256,639
Education & Training Grants	515,648	1,090,219
Health & Wellbeing Grants	99,836	835,193
Other Grant Funding	1,094	24,096
Unassigned Grant Funding	5,561,451	-
TOTAL MEMBER GRANT FUNDING EXPENSE	6,530,130	4,458,845

Grant funding expenses, requested by and paid to the Foundation Manager, Gumala Aboriginal Corporation, for the financial year, and unassigned grant funding as at 30 June 2016 calculated according to the General Gumala Foundation Trust Deed.

Note 3 Cash and Cash Equivalents

	30 June 2016 (\$)	30 June 2015 (\$)
Current		
Cash at bank	5,317,505	9,999,087
Short-term deposits with banks	7,868,229	3,610,520
TOTAL	13,185,734	13,609,607

Cash at bank earns interest at floating rates based on daily deposit rates. Short term deposits are held with reputable financial institutions for varying periods from to three to nine months and earn interest at market rates.

Note 4 Trade and Other Receivables

	Note	30 June 2016 (\$)	30 June 2015 (\$)
Current			
Trade receivables		33,214	22,175
Other debtors		-	51,311
Accrued income		5,216,823	2,774,160
Prepayments		163,125	78,021
Franking credits receivable		520,471	547,158
TOTAL		5,933,633	3,472,825
Non-Current			
Gumala Housing Scheme loans receivable		321,719	422,515
Distribution receivable from - GET	(a)	3,329,302	3,329,302
Provision for doubtful debt	(a)	(3,329,302)	(3,329,302)
TOTAL		321,719	422,515

Current trade receivables are noninterest bearing and are generally on 3060 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment loss has been recognised for the financial year.

Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

Credit Risk

The Trust has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 4.

(a) At 30 June 2015, there was an unpaid balance of \$3,329,302 from distributions receivable from the Gumala Enterprises Trust (GET) declared for the years ended 30 June 2014 and 30 June 2015. Of the original declared distributions of \$5,968,500, GET only remitted an amount of \$2,639,198 during 2015. This remaining balance of \$3,329,302 was provided for in full in the 2015 financial report. It should be noted that the legal debt from GET remains and the Trust is not writing the debt off and will do all that it can to ensure that the debt is paid in full in the future.

Note 5 Property, Plant and Equipment

Details of the Trust's property, plant and equipment and their carrying value are as follows:

(i) Carrying amount as at 30 June

	30 June 2016 (\$)	30 June 2015 (\$)
Land and buildings	340,000	340,000
Office Equipment	120,979	75,349
Accumulated Depreciation	(85,944)	(62,841)
TOTAL	375,035	352,508

(ii) Movements in carrying amounts

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

	Land and Buildings (\$)	Office Equipment (\$)	Total (\$)
Balance at 1 July 2014	3,233,662	16,887	3,250,549
Additions	3,585	10,506	14,091
Transfer Land & Buildings to Investment Property *	(2,506,355)	-	(2,506,355)
Revaluation decrease **	(368,483)	-	(368,483)
Depreciation expense	(22,409)	(14,885)	(37,294)
CARRYING AMOUNT AT 30 JUNE 2015	340,000	12,508	352,508
Additions	-	45,629	45,629
Depreciation expense	(10,200)	(12,902)	(23,102)
CARRYING AMOUNT AT 30 JUNE 2016	329,800	45,235	375,035

All depreciation charges are included within the depreciation expense in the statement of comprehensive income.

- * In 2014 a portion of the Trust's building on 165 Adelaide Terrace, East Perth had been treated and classified as land & buildings. In 2015, upon review by the Board, due to GIPL moving offices within the East Perth property and based on the use of the property, it was determined that the most appropriate treatment was to treat the entire East Perth building under Investment Properties. Refer to Note 7.
- ** The revaluation of the Limpet Crescent property has resulted in a revaluation decrease being taken to the Asset Revaluation Reserve. Refer to Note 11.

Note 6 Intangible Assets

Details of the Trust's intangible assets and their carrying value are as follows:

(i) Carrying amount as at 30 June

	30 June 2016 (\$)	30 June 2015 (\$)
Software	493,401	493,401
Accumulated amortisation	(392,215)	(194,855)
TOTAL	101,186	298,546

(ii) Movements in carrying amounts

Movement in the carrying amounts for each class of intangible assets between the beginning and the end of the current financial year.

	Software Costs (\$)	Total (\$)
Balance at 1 July 2014	532,425	532,425
Transfer from Property, Plant & Equipment	-	-
Additions	45,157	45,157
Disposals — written down value	(50,822)	(50,822)
Amortisation expense	(228,214)	(228,214)
CARRYING AMOUNT AT 30 JUNE 2014	298,546	298,546
Additions	-	-
Disposals — written-down value	-	-
Amortisation expense	(197,360)	(197,360)
CARRYING AMOUNT AT 30 JUNE 2015	101,186	101,186

All depreciation charges are included within the depreciation expense in profit or loss.

Note 7 Investment Properties

	30 June 2016 (\$)	30 June 2015 (\$)
Balance at beginning of the period	21,355,000	19,715,041
Additions	-	5,681,855
Transfer Land & Buildings from Property, Plant & Equipment	-	2,506,355
Fair value adjustments	(6,480,000)	(6,548,251)
Depreciation expense	-	-
BALANCE AT END OF THE PERIOD	14,875,000	21,355,000

During the year the investment properties held by the Foundation were revalued to fair value. This resulted in a reduction of \$6,480,000 being recognised directly in the profit or loss in the current year as these properties fair value is below their carrying value.

Refer to Note 16 for disclosures regarding the fair value measurement of the Trust's investment properties.

Note 8 AFS financial investments

	30 June 2016 (\$)	30 June 2015 (\$)
AFS financial assets comprise:		
Fixed interest securities, at fair value	17,719,961	17,020,309
Listed equities securities, at fair value	42,161,451	36,551,575
TOTAL AFS FINANCIAL ASSETS	59,881,412	53,571,884

Reconciliation of AFS Financial Assets:

	30 June 2016 (\$)	30 June 2015 (\$)
Balance at the start of the financial year	53,571,884	52,143,328
Purchases	15,103,603	7,918,475
Disposals	(6,420,944)	(5,856,798)
Revaluation increase through AFS Reserve	(1,025,622)	448,465
Impairment of AFS financial assets	(1,347,509)	(1,081,586)
BALANCE AT 30 JUNE	59,881,412	53,571,884

Available-for-sale financial assets (AFS) are stated at fair value (Note 16). The equity securities are denominated in AUD and are publicly traded and listed in Australia. The Trust holds a variety of AFS investments which generate a return based on income from those investments and changes in their market value. The growth in the values of the investments held over and above the original cost price is recognised in the Financial Assets Reserve (Note 11) until the investments are physically sold.

Note 9 Trade and Other Payables

	30 June 2016 (\$)	30 June 2015 (\$)
Current		
Trade payables	542,342	318,649
Other payables and accruals	6,456,195	251,995
TOTAL	6,998,537	570,644

The fair value of financial liabilities (including trade and other payables) is equivalent to their carrying amount. All the above liabilities are short term and the Trust expects to meet its obligations.

Other payables and accruals for 30 June 2016 includes an amount of \$5,561,451 for unassigned member grant funding which has been made available for 2016/17 programs. (Refer Note 2(f))

Note 10 Provisions

	Employee Benefits	
	30 June 2016 (\$)	30 June 2015 (\$)
Current		
Annual leave	83,389	29,068
Long Service Leave	-	-
TOTAL CURRENT	83,389	29,068
Non-Current		
Long Service Leave	25,950	-
TOTAL NON-CURRENT	25,950	-

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Trust does not expect the full amount of annual leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Trust does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion includes the total amount accrued for long service leave entitlements that have not vested as at 30 June 2016 due to employees not having completed the required period of service.

Note 11 Reserves

Asset Revaluation Reserve

This reserve is used to record the increases in fair value of land and buildings, and decreases to the extent that such decreases relate to an increase in the value of that class of assets previously recognised in the reserve.

Analysis of Asset Revaluation Reserve

	30 June 2016 (\$)	30 June 2015 (\$)
Balance at 1 July	50,300	418,783
Revaluation of land and buildings	-	(368,483)
BALANCE AT 30 JUNE	50,300	50,300

This reserve is used to record the increases in fair value of land and buildings, and decreases to the extent that such decreases relate to an increase in the value of that class of assets previously recognised in the reserve. During the 2015 financial year, an amount of \$368,483 was recognised as a reduction to the asset revaluation reserve due to the revaluation of property, plant & equipment. Refer to Note 5.

Financial Assets Reserve

This reserve is used to record the increases in fair value of assets-held-for-sale, and decreases to the extent that such decreases relate to an increase in the value of that class of assets previously recognised in the reserve.

Analysis of Asset Revaluation Reserve

	30 June 2016 (\$)	30 June 2015 (\$)
Balance at 1 July	7,307,901	6,859,436
Profits realised on sale of AFS Investments	(544,876)	
Revaluation increment of AFS Investments	(1,025,624)	448,465
BALANCE AT 30 JUNE	5,737,401	7,307,901

Note 12 Cash Flow Information

	30 June 2016 (\$)	30 June 2015 (\$)
RECONCILIATION OF SURPLUS/(DEFICIT)TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Deficit for the year	(3,346,830)	(10,510,092)
Add (less) non-cash items:		
Depreciation	23,102	37,294
Amortisation	197,360	228,214
Loss on disposal of intangible assets	-	50,822
GET Distribution	-	-
Provision for doubtful debt	-	3,329,302
Impairment of AFS investment	1,347,509	1,081,586
(Gain)/loss on sale of AFS investments	(302,063)	(263,679)
Impairment of investment properties	6,480,000	6,548,251
INCREASES AND DECREASES IN OPERATING ASSETS AND LIABILITIES:		
(Increase)/decrease in trade and other receivables	(2,541,108)	4,086,418
Increase/(decrease) in provisions	80,271	(27,590)
Increase/(decrease) in committed funds	-	(4,857,075)
Increase/(decrease) in trade and other payables	6,427,893	(2,056,931)
NET CASH PROVIDED BY OPERATING ACTIVITIES	8,366,134	(2,298,300)

While these statements record an operating deficit of \$3,346,830, this amount includes unrealised expenses of \$6,480,000 for changes in the values of investments properties and a further \$1,347,509 for unrealised losses on AFS investments. Excluding these revaluation items, the operating surplus for the Trust would be \$4,480,679. The table above demonstrates that the operating activities of the Trust generated a positive \$8,366,134 in 2016.

That is, not all of the losses that are accounted for have actually affected the operating cash position of the Trust. The net operating cash position is the result at the end of the year that shows the Trust's operating position once unrealised losses and gains are accounted for.

Note 13 Auditor's Remuneration

	30 June 2016 (\$)	30 June 2015 (\$)
Fees paid or payable to the auditor, Grant Thornton Audit Pty Ltd, for:		
Auditing the financial report	39,000	35,000
Additional fees in respect to prior year audits	16,000	-
TOTAL	55,000	35,000

These fees relate to the audit of the financial statements of GIPL, not the forensic investigation commissioned by GAC.

Note 14 Related Party Transactions

Related Parties

The Trust's main related parties are as follows:

a. Key management personnel

The Directors of Gumala Investments Pty Ltd, being the trustee company of the General Gumala Foundation Trust, have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and are considered key management personnel of the trust. Directors during the year are listed on Page 2 in the Directors Report. Other key management personnel (other than Directors) are detailed on Page 8 of the Directors Report.

The totals of remuneration paid to key management personnel (KMP) of the Trust during the year are as follows:

	30 June 2016 (\$)	30 June 2015 (\$)
Short-term employee benefits	1,060,737	491,062
Post-employment benefits *	100,770	46,649
TOTAL	1,161,507	537,711

^{*} Post-employment benefits comprise contributions paid to defined contribution superannuation plans on behalf of the KMP.

b. Other Gumala entities

The Statement of Profit or Loss and Other Comprehensive Income for the General Gumala Foundation includes the following expenses arising from transactions with related entities:

	30 June 2016 (\$)	30 June 2015 (\$)
Gumala Aboriginal Corporation (GAC)		
Expenses from provision of funding and acquisition of services from GAC	3,740,396	20,546,773
Recovery of expenses from GAC	32,584	55,414

The Balance Sheet for the General Gumala Foundation includes the following assets and liabilities arising from transactions with related entities.

c. Other related parties

Other related parties include close family members of KMP, and entities that are controlled or jointly controlled by those KMP or their close family members, individually or collectively with family members or KMP.

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

The following transactions occurred with related parties:

In 2016 there were no transactions with other related parties. In 2015 the Trust used the legal services of one Director in the trustee company and the law firm over which he exercises significant influence, MacLean Legal. The amounts billed were based on normal market rates and amounted to \$2,176.

Note 15 Financial Risk Management

Risk management objectives and policies

The Trust is exposed to various risks in relation to financial instruments. The Trust's financial instruments consist mainly of deposits with banks, equity securities, accounts receivable and payable, and loans.

The risk management is monitored by the board of directors in consultation with the investment advisors, and focuses on actively securing the Trust's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

Given the investment nature of the Trust's operations, the directors of the trustee company do not consider that the trust is exposed to any significant financial risks. Notwithstanding this, the trustee monitors the trust's financial position and liquidity on a monthly basis.

The main risks that the Trust is exposed to are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the Trust is exposed to, how these risks arise, or the trustee's objectives, policies and processes for managing or measuring the risks from the previous period.

The Trust does not actively engage in the trading of financial assets for speculative purposes and does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. The most significant financial risks to which the Group is exposed are described below.

	Note	30 June 2016 (\$)	30 June 2015 (\$)
Classes of financial assets			
CARRYING AMOUNTS:			
Cash and cash equivalents	3	13,185,734	13,609,607
Trade and other receivables	4	6,255,352	3,895,340
Available-for-sale financial investments	8	59,881,412	53,571,884
TOTAL		79,322,498	71,076,831

The credit risk for cash and cash equivalents and term deposits is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. The carrying amounts disclosed above are the Trust's maximum possible credit risk exposure in relation to these instruments.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

The Trust is exposed to two sources of market price risk in fluctuations in interest rates applicable to its financial cash at bank and term deposits assets and fluctuations in the market value of its available-for sale investment assets. The Trust has taken steps to increase its exposure to intermediate-risk assets through the investment with NWQ Investments.

The Trust is reviewing the appointment of a consolidated investment manager with proposed risk benefits resulting from better co-ordination of investments across the various asset classes.

(i) Interest rate risk

The Trust is exposed to interest rate risk, which is the risk that a financial instrument's fair value and future cash flow will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The company does not use derivatives to mitigate these exposures.

The Trust adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents on term deposits at interest rates maturing from three to six month rolling periods.

The financial instruments that expose the Trust to interest rate risk are limited to cash and cash equivalents (see Note 3).

(ii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of available-for-sale (AFS) securities held.

The available-for-sale securities are publically listed and tradeable on the Australian Stock Exchange.

The Trust is exposed to securities price risk on investments held for medium-to-longer terms. Such risk is managed through diversification of investments across industries and geographic locations. The Board has approved risk and return parameters for investments in AFS investments and receives timely reports from its investment advisors on the performance of the respective investment portfolios.

At the reporting date the market value of AFS investments was:

	30 June 2016	30 June 2015
	(\$)	(\$)
Available-for-sale financial assets comprise:		
Fixed interest securities, at fair value	17,719,961	17,020,309
Listed equities securities, at fair value:	42,161,451	36,551,575
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	59,881,412	53,571,884

The listed securities are classified as available-for-sale, therefore no effect on profit and loss would have occurred. The impact of market movements would be recognised in the income statements if they were sold or if an impairment loss was recognised. There were impairment losses of \$1,347,509 recognised at reporting date 30 June 2016 (2015: losses of \$1,081,586).

Sensitivity Analysis

The following table illustrates sensitivities to the Trust's exposures to changes in interest rates and equity prices of AFS investments. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

	Profit (\$)	Trust Funds (\$)
YEAR ENDED 30 JUNE 2016		
+/- 1% in interest rates	53,175	53,175
+/- 10% in equity prices	4,216,145	4,216,145
YEAR ENDED 30 JUNE 2015		
+/- 1% in interest rates	99,991	99,991
+/- 10% in equity prices	3,655,158	3,655,158
YEAR ENDED 30 JUNE 2014		
+/- 1% in interest rates	14,060	14,060
+/- 10% in equity prices	392,695	392,695

These sensitivities assume that the movement in a particular variable is independent of other variables.

The columns for Profit and Equity reflect the same amount due to any increase or decrease in interest rates or investment equity prices impacting the operating surplus and flowing through equally to the Trust Funds.

Liquidity Risk

Liquidity risk arises from the possibility that the Trust might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Trust manages liquidity risk by monitoring cash flows and ensuring that adequate cash funds are maintained and available to meet its liquidity requirements for 30 day periods at a minimum.

The Trust considers expected cash flows from financial assets in assessing and managing liquidity risk, particularly its cash resources. The Trust's existing cash resources (see Note 3) significantly exceed the current cash outflow requirements.

As at 30 June 2016, the table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Trust does not directly hold any derivative financial liabilities.

Financial liability analysis

	Current			Non-current		
	Carrying Amount (\$)	Within 6 months (\$)	6 to 12 months (\$)	1 to 2 years (\$)	More than	1 2 years (\$)
30 June 2016						
Trade and other payables	542,342	542,342		-	-	-
TOTAL FINANCIAL LIABILITIES	542,342	542,342		-	-	-
30 June 2015						
Trade and other payables	570,644	570,644		-	-	-
TOTAL FINANCIAL LIABILITIES	570,644	570,644		-	-	-

Note 16 Fair Value Measurements

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2 inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- (c) Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following tables provide the fair values of the Trust's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

		Note	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
30 June 2016			22121 1 (17	(1)	221212 (47	
Financial assets						
Available-for-sale financial investments	8		59,881,412	_	_	59,881,412
	0		, ,			
NET FAIR VALUE			59,881,412	-	-	59,881,412
Non-financial assets						
Investment properties	7		-	14,875,000	-	14,875,000
Property, plant and equipment - buildings	5		-	329,800	-	329,800
NET FAIR VALUE			-	15,204,800	-	15,204,800
30 June 2015						
Financial assets						
Available-for-sale financial investments	8		53,571,884	-	-	53,571,884
NET FAIR VALUE			53,571,884	-	-	53,571,884
Non-financial assets						
Investment properties	7		-	21,355,000	-	21,355,000
Property, plant and equipment - Buildings	5		<u>-</u>	340,000	<u>-</u>	340,000
NET FAIR VALUE			-	21,695,000	-	21,695,000

Valuation techniques

The Trust selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Trust are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Trust gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The fair value of the property assets is determined based on appraisals performed by independent, professionally qualified property valuers at least every three years. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies. The fair values of all investment property holdings were reviewed by third parties and their values adjusted accordingly for 30 June 2016.

Note 17 Contingent Assets and Contingent Liabilities

The Gumala Foundation is a beneficiary of the Gumala Enterprises Trust ("GET") and may be entitled to a distribution of profits. The GET advised that there was a distribution of \$901,929 for the year ended 30 June 2015 but this balance is subject to adjustment following the completion of their audit.

As disclosed in Note 4, there was a remaining unpaid balance on the 30 June 2014 and 30 June 2015 distributions declared by GET of \$3,329,302 at 30 June 2015. This balance still remains unpaid as at 30 June 2016. Due to uncertainty about the timing of when the GET would be in a position to pay the distributions totalling \$3,329,302, the Gumala Foundation has fully provided for the receivables in the 30 June 2015 financial accounts. The Gumala Foundation continues to endeavour to recover the funds from the GET and should the funds be received from GET in the future, then the Gumala Foundation will recognise those funds as revenue at that time.

Note 18 Events after the End of the Reporting Period

In September 2016 Gumala Enterprises Trust (GET) approached the Foundation to negotiate an agreement for the repayment of unpaid distributions. As at 30 June 2015 the balance of unpaid distributions receivable by the GGF from GET totalled \$3,329,302 and was fully provided for as a result of uncertainty regarding its recoverability. This situation remained the same for 30 June 2016. Given the early stage of the negotiations, no change will be noted in the accounts until greater certainty is established on the sum payable and actual payments are received by the GGF.

Note 19 Trust Details

The Trust is known as The General Gumala Foundation. The trustee of the General Gumala Foundation is Gumala Investments Pty Ltd (ACN 077 593 581).

The registered office of the trustee and the principal place of business of the General Gumala Foundation is: Level 2, 165 Adelaide Terrace, East Perth WA 6004

As at 30 June 2016, Gumala Investments Pty Ltd had 12 employee and 6 Directors. The principal activities of the General Gumala Foundation are the funding of benefits to members and investment of trust funds as directed by the Trust Deed.

Director's Declaration of the Trustee Company

In accordance with a resolution of the Directors of Gumala Investments Pty Ltd as Trustee for the General Gumala Foundation Trust, the Directors of the Trustee Company declare that:

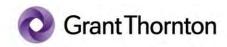
- (a) the financial statement and notes, as set out on page 10 to 35 present fairly the Trust's financial position as at 30 June 2016 and its performance for the year ended on that date in accordance with Australian Accounting Standards; and
- (b) in the Directors' opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Director:

Chairperson – Colleen Hayward for and on behalf of the Board of Gumala Investments Pty Ltd

Dated this 4th day of October 2016

Independent's Auditors Report



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Independent Auditor's Report
To the Members of Gumala Investments Pty Ltd
as Trustee for the General Gumala Foundation

We have audited the accompanying financial report of Gumala Investments Pty Ltd as Trustee for the General Gumala Foundation ("the Trustee Company") which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors Declaration.

Directors' responsibility for the financial report

The Directors of the Trustee Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Trust Deed. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to 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.

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Page 37 of 38



In making those risk assessments, the auditor considers internal control relevant to the Trustee Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trustee Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, 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 ethical pronouncements.

Auditor's opinion

In our opinion the financial report of Gumala Investments Pty Ltd as Trustee for the General Gumala Foundation is in accordance with the financial reporting requirements of the Trust Deed, including:

- i. giving a true and fair view of the Trustee Company's financial position as at 30 June
 2016 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

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GRANT THORNTON AUDIT PTY LTD Chartered Accountants

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Partner - Audit & Assurance

N. Waw.

Perth, 5 October 2016

