2014-15

Gumala Investments Pty Ltd
Annual Report

2014-15

Gumala Investments Pty Ltd Annual Report

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CHAIRPERSON'S REPORT

FOUNDATION TRUSTEE

PROFESSOR COLLEEN HAYWARD AM
GUMALA INVESTMENTS PTY LTD

In this annual report you will see an outline of how we have managed a year that will be remembered as one of the toughest the Foundation has ever faced.

Even in the tough times of the past year, the General Gumala Foundation has managed to meet the financial and organisational challenges that have threatened its future.

RECOGNISING THE MAIN CHALLENGES – REDUCED ROYALTY REVENUE AND THE NEED FOR ORGANISATIONAL CHANGE

In presenting this year's annual report for Gumala Investments Pty Ltd (The Gumala Trust) as Trustee for the General Gumala Foundation I am deeply conscious of the confusion and distress that Gumala beneficiaries must have been feeling, learning that member programs were suspended, watching employees departing and not able to feel certain about the future.

On behalf of the board of the Gumala Trust I express my regret that the challenge of reduced royalty revenue was not clearly recognised or explained by Gumala Aboriginal Corporation (GAC) in its Annual Report last year, and that the difficult decisions that have had to be made have had such serious consequences. The responsibility of dealing with reduced royalty revenues cannot be avoided or ignored, and this is a big part of what the Gumala Trust has had to grapple with this year.

Looking back, it can be seen that in last year's annual reports, the Gumala Trust was the only Gumala entity to refer to the Foundation's falling revenue, and that only the Gumala Trust provided any explanation for the tough decisions that had already been made.

THE GUMALA TRUST PROBLEMS WITH OLD MANAGEMENT OF GAC

From 2012-2015 GAC exercised greater power as Manager of the General Gumala Foundation than at any time previously.

Rightly or wrongly, the Gumala Trust gave GAC the power to allocate money according to GAC's priorities, but in return GAC did not provide the Gumala Trust with accurate and timely information about what was being done.

In accordance with our responsibilities, in 2015 the Gumala Trust tried to assess how well GAC had exercised that power to manage the Foundation. To do that, the Gumala Trust asked GAC to provide us with access to its books and records.

The Gumala Trust spent four months trying to discretely and respectfully obtain access, but was frustrated by GAC's old management.

The Gumala Trust's responsibility as Trustee of the Gumala Foundation is to protect the interests of all beneficiaries, present and future.

The law requires us to take all steps necessary to fulfil our obligations.

We can't just throw our hands in the air and give up if GAC blocks our path.

We didn't want to have a public dispute.

If GAC had simply given us access to its books and records all of the issues surrounding the assessment of GAC's administration could have been conducted confidentially and respectfully, even with the hard decisions that may have had to follow.

NEW MANAGEMENT OF GAC

GAC directors realised that they had to take responsibility.

They became very concerned about a number of issues like the manner in which the Gumala Aboriginal Corporations important relationship with Rio Tinto had apparently deteriorated and the equity with which the Trust Funds were being distributed amongst the Beneficiaries.

They knew that significant changes had to be made to the way that the Gumala Aboriginal Corporation did its business and to their credit they assumed the responsibility for the really tough decisions that they felt had to be made to protect the future for the Beneficiaries of the Gumala Foundation.

One of the more difficult decisions the Board of GAC had to make was to hold the former CEO responsible for the things that were not going well and to terminate his employment contract.

This decision was in the best tradition of true self-determination.

Of course, removing a CEO who had been in the role for a long time meant great change and some instability in GAC. The consequences of the decision are still being felt.

Forensic Accountant's Investigation

GAC then decided to investigate the previous financial management, including a number of concerns that had been raised by the Gumala Trust.

GAC's decision to engage Grant Thornton to conduct a forensic audit was in line with previous calls by GAC

members for a forensic audit to be undertaken. It was widely known and its report has been published.

That report entirely justifies the Gumala Trust's interest in assessing GAC's books and records.

The Gumala Trust is planning for the future

The Gumala Trust has never lost sight of our responsibilities under the Trust Deed, as you will see in this report. The performance of the future fund has been negatively affected by decisions made in the good times without full appreciation of how badly the Trust's income would decline. While confronting these immediate challenges, for the first time, this year the Gumala Trust engaged actuarial advice to project the path for the future fund from now until the anticipated close of the Yandicoogina mine in 2037.

We have the best assesment possible of how large the fund will become, and what will be available for use for the benefit of Gumala beneficiaries. More on this assessment is provided in this Annual Report.

If the Future Fund is to indeed work for future generations, the Gumala Trust must continue to work for that objective.

At the Annual General Meeting of the General Gumala Foundation, I will outline a plan for a series of consultation meetings and invitations for written submissions to be held over the course of 2016.

The subject for those consultations will be 'What is the future for the General Gumala Foundation?'

We will open the door to a discussion about what beneficiaries would like to see happen to income and the future fund.

We will listen with open minds to all suggestions for reform of the Yandi Land Use Agreement and the Trust Deed of the General Gumala Foundation.

This is a critical discussion, and it is one that we welcome.

We will be guided by the outcomes of those discussions and submissions, but we are also bound by our legal duties as Trustee.

This Gumala Trust board has only ever been motivated by a desire to protect the interests of all present and future beneficiaries, and will continue to work for that objective in the year to come.

We want to hear the voices of ALL Beneficiaries on this important question.

Professor Colleen Hayward Oam
Gumala Investments Pty Ltd

2015 YEAR IN REVIEW

In this Annual Report, we will outline:

- why member programs had to be suspended;
- staff made redundant and;
- how the Investment Portfolio has performed.

2014 REVISITED

A three year agreement between the Gumala Trust and GAC ended on 30 June 2014, and on average over those three years just under 40% of available income had been allocated to the future fund, in accordance with the Trust Deed.

The end of the 2013-2014 financial year also marked the peak of the Foundation's ability to provide money for member benefits for Beneficiaries.

It was also the year the Foundation allocated all of its revenue to member benefits.

In fact, the Gumala Trust put more money into GAC in 2013-2014 than it received. While not ideal, under the Trust Deed this is permissable.

As late as May 2014 the former GAC CEO was predicting that GAC would have a turnover of $34M in 2014-15.

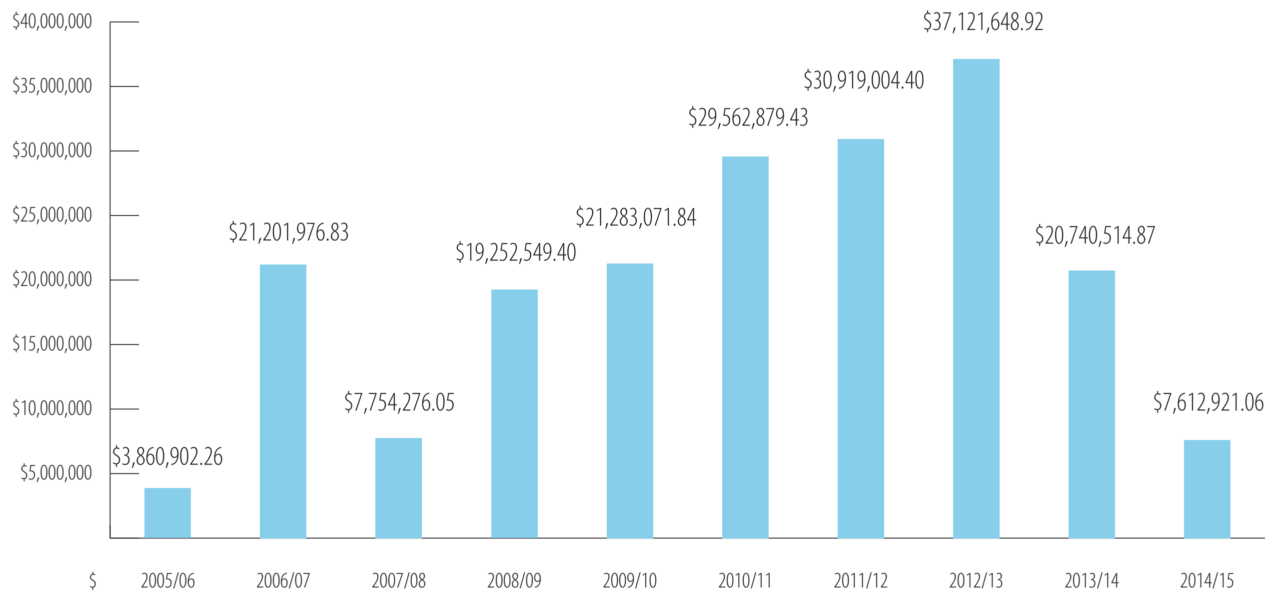
As we approached 30 June though, it became clear that 2014-2015 was going to be a lot more difficult.

2014-2015 – A YEAR OF HEARTACHE FOR GAC MEMBERS AND STAFF.

In 2013-14 the Foundation received about $20M from Rio Tinto. That money is supposed to fund administration costs as well as programs, but GAC spent almost all of it on member benefits and a further $6.9 million on administration costs.

Even if the Foundation had received the same amount of money this year, it would not have all been allocated to member benefits.

Worse than this though, the Foundation's YLUA compensation fell by 63%.



YLUA Income (2005-2015)

No one knew at the end of the 2014 financial year just how difficult this year would be.

If we had, we would have started reining in spending in July instead of waiting until October.

We thought we had more time to prepare for the downturn, more time to make changes gradually over the year.

That's why we allowed three months to make preparations. The Foundation continued to fund GAC at the same levels for the first quarter of this financial year as it had been funded in the final quarter of last financial year.

This meant that more than half of our entire revenue for this financial year was spent through GAC in just three months. By the time we reached October urgent action had to be taken

GAC had no choice but to suspend Member programs and make a number of staff redundant.

Over the next two months we reviewed our situation and made some key decisions.

Foundation Shared Services

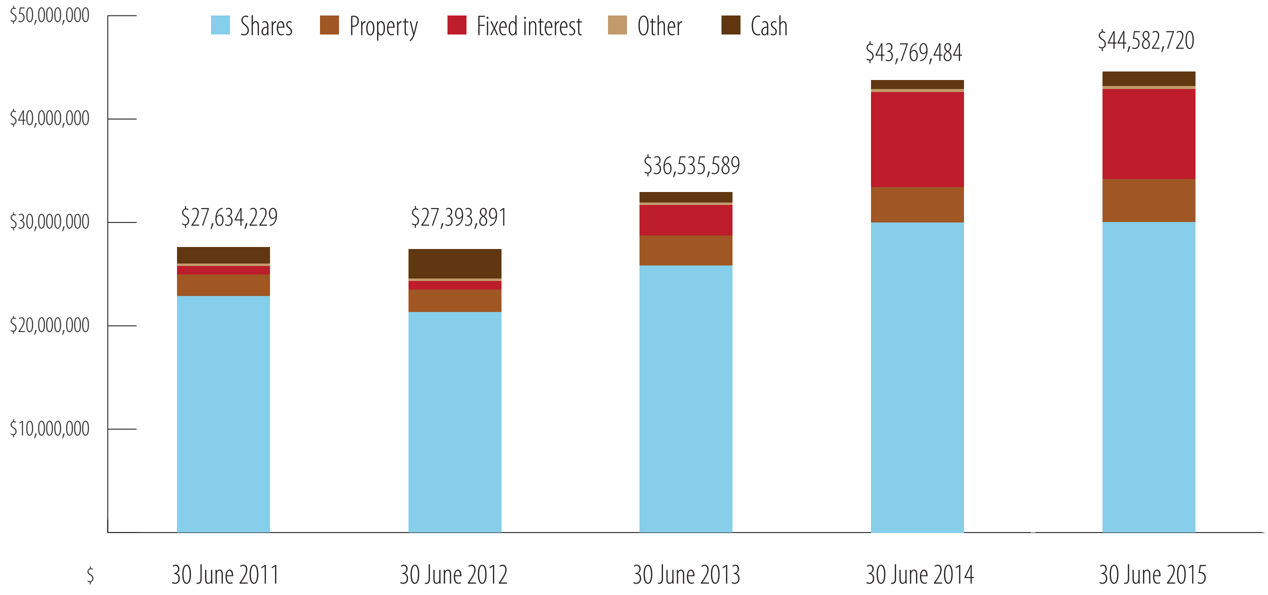
Firstly, we decided that the Gumala Trust could not continue to rely on GAC to run its own business and the business of the Gumala Trust.

In fact, it is better that some things are done by the Gumala Trust for GAC because of the responsibilities each has under the Trust Deed. This includes some financial management assistance and governance support.

Today, a streamlined core of staff in Gumala's Foundation Shared Services team provides financial management, governance, human resources and assets management support to both GAC and the Gumala Trust. This is consistent with Recommendations 4,5 and 6 of the 2013 Lennon-Chaney YLUA Review.

Providing for education and lore

Secondly, we decided that we had to continue to support families to send kids to school, and to ensure the Lore Camps could be held.



Morgan Stanley Portfolio Valuation by Asset Class

But the programs that are for school attendance had to result in actual improvements in kids turning up to school. So we set a minimum target for eligibility.

No money into the Future Fund

Thirdly, we realised that we simply could not afford to put any money aside for the future until the Foundation revenue improved and expenses were cut.

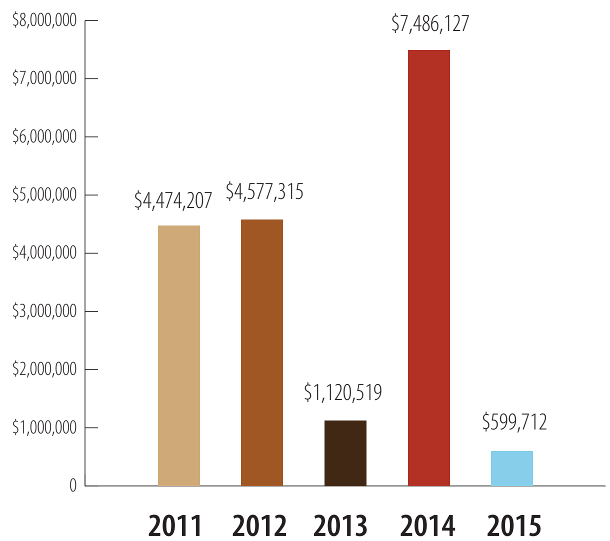
No money was added to the Future Fund.

GGF INVESTMENTS

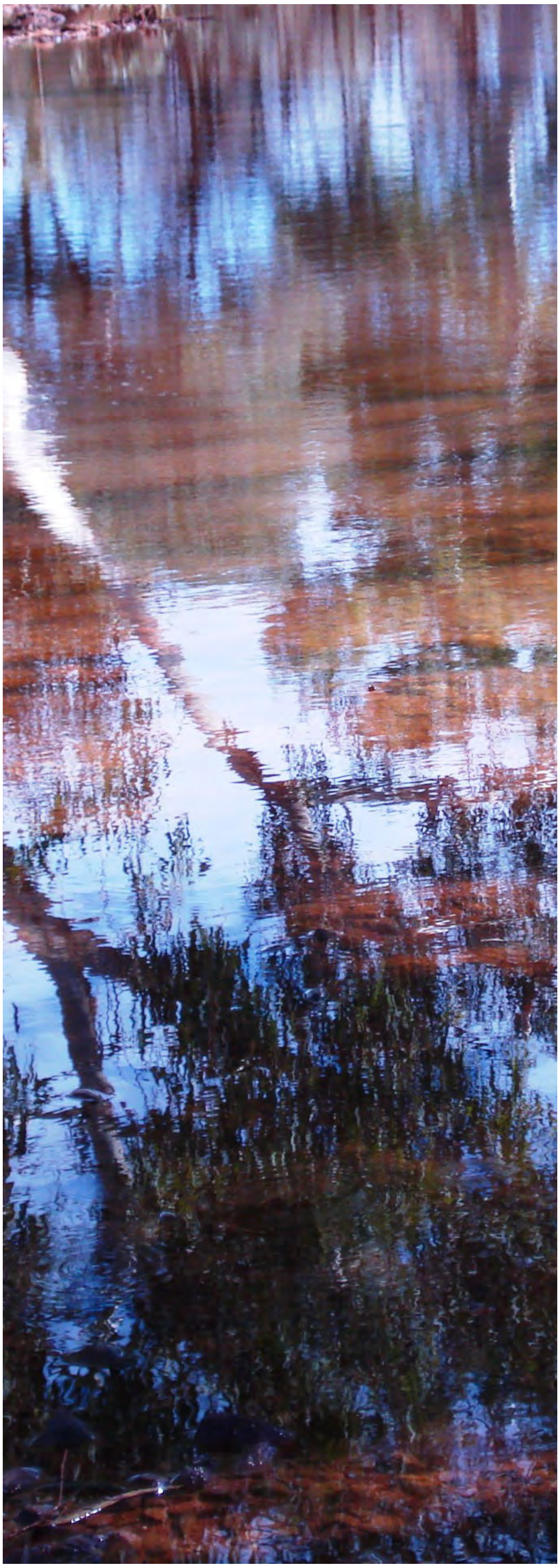
Investment holdings decreased to $88,536,491 as at 30 June 2015, which is a decrease of $6.83 million on the previous figure of $95,370,605 as at 30 June 2014.

As you can see it is not all bad news. The Morgan Stanley portfolio improved as did the position of our liabilities.

At $570,644, the Trustee Company's liabilities are at their lowest point in the past five years.



Liability performance (2011-2015)



There is no denying though, that there has been a significant deterioration in the fortunes of the future fund. The combined decline in cash and cash equivalents and trade and other receivables is $15,824,564.

There are equally significant reasons for this decline.

The decline in cash

The cash position of the Trust has declined by $9,902,669.

The Trust paid $5,681,855 in the year for the construction of the ten houses in South Hedland.

The Trust also entirely cleared its liability to GAC of $4,857,075 (the 'committed funds' noted in last year's report) from Trust cash.

The combination of these two factors – paying for South Hedland houses and the payment of the committed funds liability – totals $10,538,930 and explains the deterioration of the cash position of the Trust.

Investment property

The decline in the mining industry affected the Western Australian economy and subsequently property prices in the Pilbara region and the Perth CBD have fallen in value.

The Foundation has an accounting policy of performing valuations for investment properties at least once every three years and has had all the values of its investment properties appraised independently in the current year ended 30 June 2015, following which the Foundation recognised a reduction in the fair value of $6.61 million for the investment properties portfolio.

This includes GAC's heavily promoted project to construct houses in South Hedland, which are now valued at significantly less than the amount paid for the land and construction.

In fact, if property values in South Hedland improve 10% per year for the next three years for these properties they still won't be worth what was paid for them.

Money from Gumala Enterprises Pty Ltd

The Gumala Trust has made the difficult decision that, at the time of publishing this Report, it cannot be certain that it will receive the balance of its share of the profits that have been declared by the Gumala Enterprises Trust (Gumala Enterprises Pty Ltd as Trustee for the Gumala Enterprises Trust).

The Trust will still endeavour to recover the money but cannot be certain that GEPL is in a position to pay. The Trust is not writing this debt off.

The value of this doubtful debt, which sees a decline in the trade and receivables of the Trust, is $3,329,302.

Trade and receivables also includes the amount that accrued from the Yandi Land Use Agreement for the final three months of the previous year. As can be seen, the compensation payments continued to deteriorate over the course of the year, with the $2,451,125 reduction in accrued income mostly explained by this reduction in compensation.

The decline in property markets also affected rents in Perth and Tom Price, and, significantly, a tenancy ended at 165 Adelaide Terrace. Rental income declined by $623,166.

In addition, the decline in the cash position of the Trust had a knock-on effect on interest received during the year. Interest declined by $511,677.

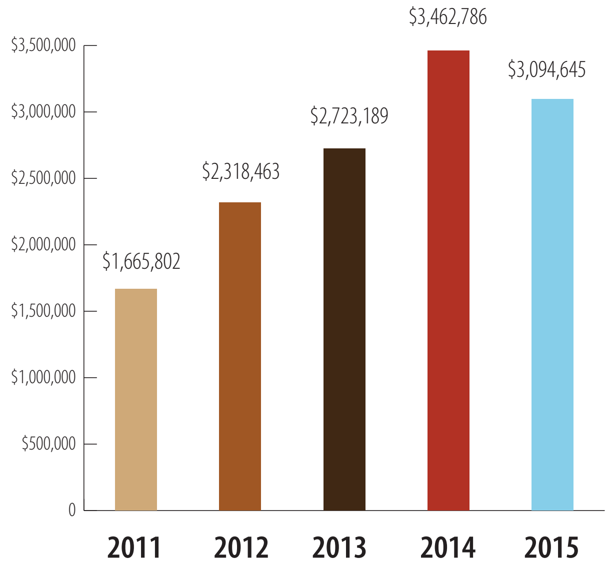
These four factors – the GET's doubtful debt, declining YLUA compensation, declining rent and declining interest – explain the majority of the reduction in trade and receivables for the Trust.

Reduction in administration costs

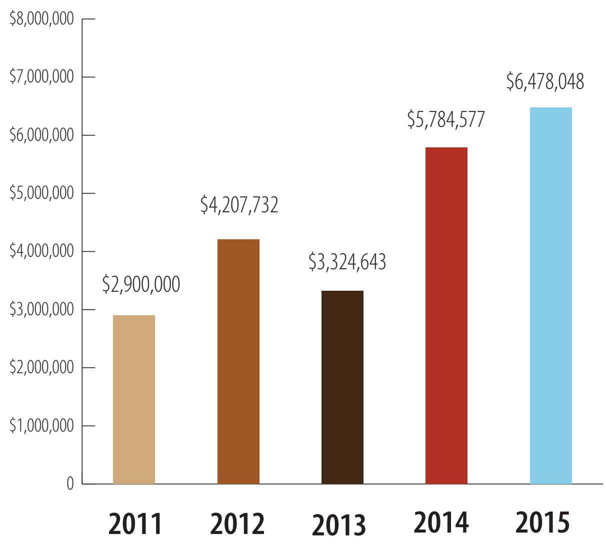
The Gumala Trust reduced its operational and administrative costs by $671,688.

Of its administration costs, $337,404 consists of costs associated with providing Shared Services to both GAC and the Gumala Trust.

The Gumala Trust administration costs comprised 24% of total revenue.



Gumala Trust administration costs (2011-2015)



GAC administration costs (2011-2015)

Reduced payments to GAC

While GAC reduced its request for monies for member benefits by $15,901,015 (78%) its request for administration funding increased by $693,471 (12%).

Total payments to GAC of $10,936,893 was the equivalent of 77% of total revenue.

GAC administration costs comprised 46 % of total revenue.

Dealing with legacy issues

The Foundation has taken some major steps to finally resolve long-standing problems.

GAC moved back home

We held consultation meetings in Tom Price, Perth and Port Hedland.

One of the major issues raised in those meetings was the decision to move the majority of GAC staff from Tom Price to Perth.

Beneficiaries and members made it very clear they wanted GAC back in Tom Price, where it belongs.

We listened, and we acted.

GAC's new management, supported by the Gumala Trust, has moved GAC back to Tom Price.

Almost all of GAC's work is now based in its Tom Price headquarters. And those headquarters are back in the centre of town, not out in a light industrial area totally unsuitable for a member-based community organisation.

The Register of Traditional Owners

This year the Foundation finally dealt with the problem that had been created through the review of the Register of Traditional Owners.

There is now no question as to whether beneficiaries are entitled to receive benefits.

There is a thorough process for considering applications, by a Foundation Applications Review Committee that at one time considers applications for inclusion on both the Register of Traditional Owners and the GAC Members' Register. The committee is entirely made up of Traditional Owner directors of the Boards of GAC and the Gumala Trust. This advance is consistent with the objective of Recommendation 16 of the 2013 Lennon-Chaney Review.

Foundation Committees

We have also established a Foundation Investment Committee and Foundation Audit and Risk Committee, comprising both GAC and Gumala Trust directors, which consider these areas both jointly and separately for each of GAC and the Gumala Trust.

This is a critical part of making sure that we are all working in the same direction, and that we all understand the perspectives of operating a member-based organisation within a trust structure.

The 'contingency fund'

The three year funding agreement between GAC and the Gumala Trust that ran from 2012-2014 included an amount for what was called 'contingency funding'. Contingency funding is an amount that organisations build into their budgets to allow for unexpected costs. We all always try to stick to our budgets, but sometimes events beyond our control mean that we are unable to limit our spending. Contingency funds cover this eventuality.

The agreement was supposed to set out what happened with this money if it wasn't spent, and how it could be calculated.

This money was called the 'Contingency Fund'.

At the end of the agreement, though, it turned out that it was very difficult to figure out how much should be available in that fund. GAC and the Gumala Trust didn't agree on how much there should be or how it could be calculated. Although it had been recorded in past financial reports as about $13m, in reality this was an accounting error. In fact some of it had already been spent.

To resolve this, the Foundation asked an external accountant to come in and work with the GAC finance team, lawyers and senior management.

An agreement was reached and the amount of $4.857m was set aside as 'Committed Funds', with payment of this amount constituting full and final payment.

All of this money has been paid by the Gumala Trust to GAC this financial year and spent by GAC on is operations and programs, so the Gumala Trust now has no financial liability to GAC.

The Elderly and Infirm Trust

The Gumala Trust decided to wrap up the affairs of the Elderly and Infirm Trust, a trust that was supposed to have been wound up ten years ago.

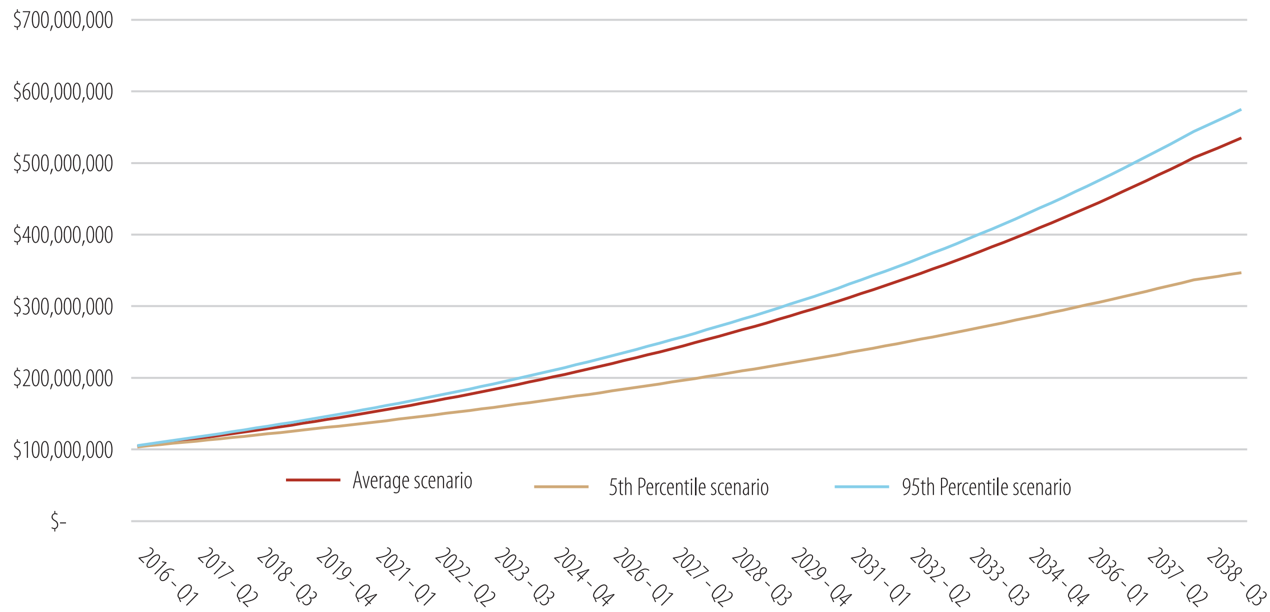
A final cash distribution has recently been made by the Gumala Trust, as Trustee for the Elderly and Infirm Trust, after consultation with both GAC and eligible beneficiaries.

2015-2016 – CONSOLIDATION AND PLANNING

Even though this has been a very tough year, the Foundation has been working hard to prepare for the future, gathering the information we need to plan for successful programs and projects for the next decade.

This includes some very detailed analysis of the history of our income and expenditure as well as projections for future needs. Conducted by NWQ Capital the analysis shows that total fund assets of $500M by 2037 is achievable. The following data is derived from the model "base case".

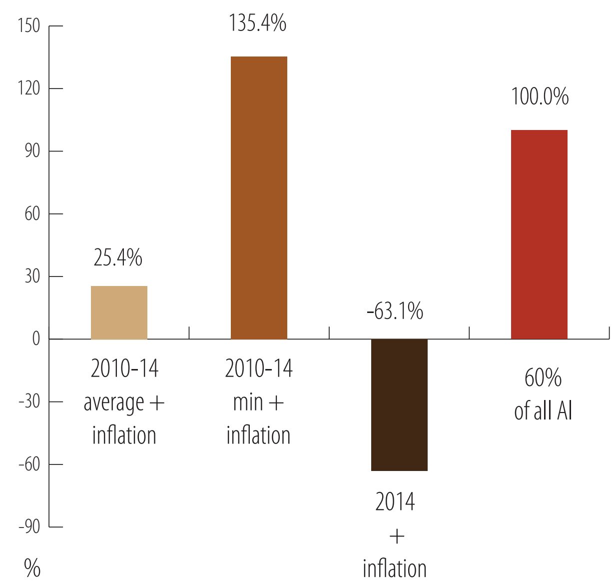
Forecast total fund value (2016-Q1 — 2038-Q3)



Considering the base case, continuing distributions at the 2014 rate (and indexed at inflation) will deplete the entire fund by 2026

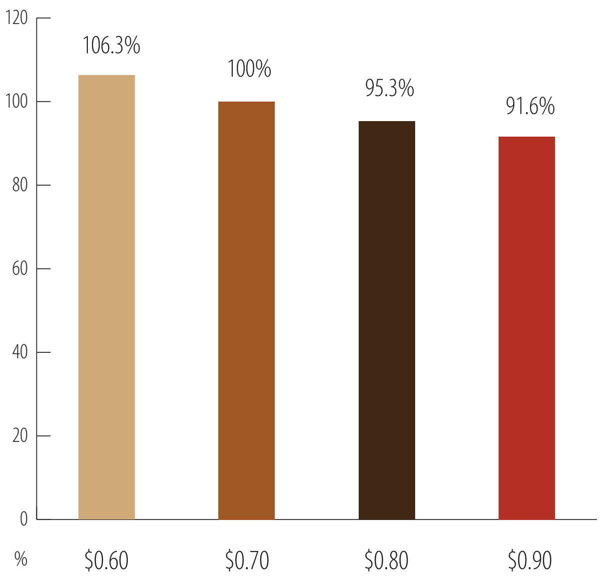
YEAR	Grant/member
2010-2014 min	$5,023
2010-2014 max	$15,274
2010-2014 average	$10,549
2014	$15,274

This graph indicates the calculated average total fund value in 2037 with respect to the base case. For example, under the distribution policy '2010-2014 average + inflation', the average total fund value in 2037 will be 25.4% of $475M

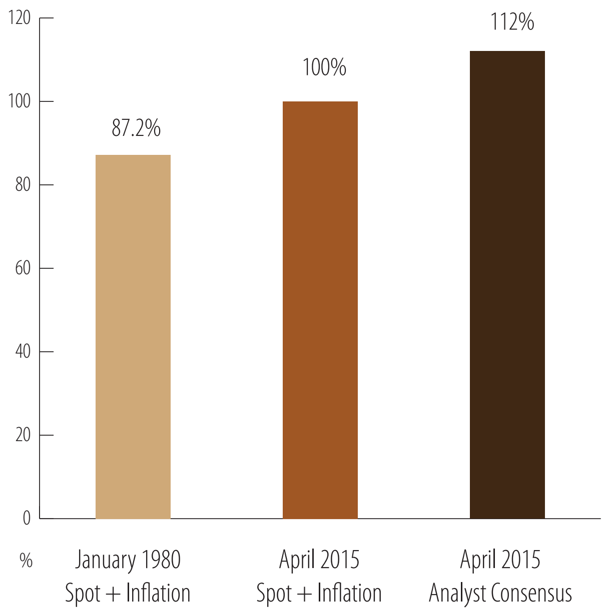


Sensitivities indicate the degree to which various factors can impact on the fund performance

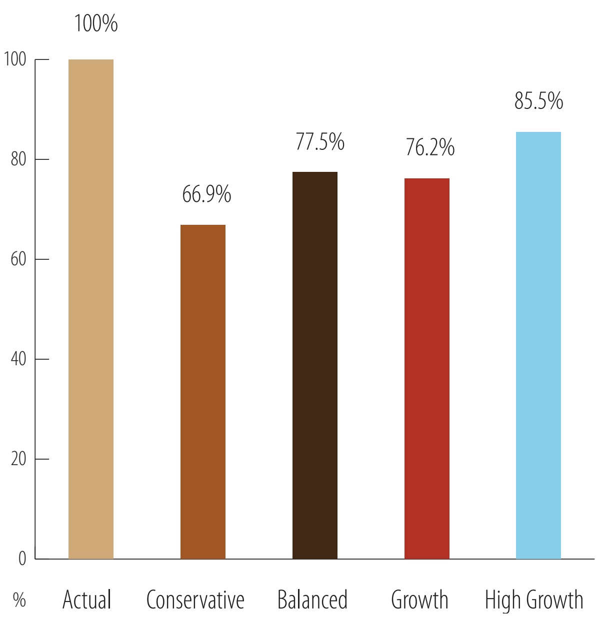
Sensitivity to exchange rate



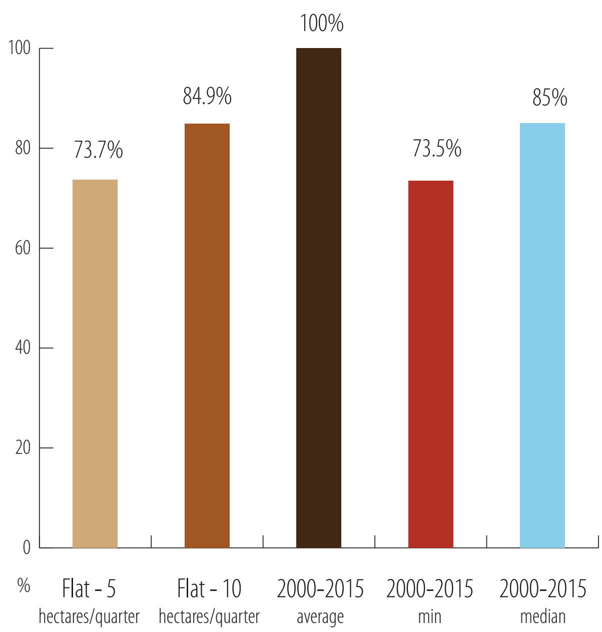
Sensitivity to iron ore price



Sensitivity to investment fund



Sensitivity to land disturbance



We will be embarking on a series of meetings and workshops over the coming months to lay the groundwork for a comprehensive strategic plan that will be held jointly with GAC, the Gumala Trust and GEPL. It makes sense for us to all work together.

We need to better understand the future opportunities and risks faced by our members and beneficiaries.

This plan will represent the best information we have about where we are today, how we got here, and where we want to go in the future.

It will map out the types of programs and projects the Foundation should support and the types of investments it should make.

At the same time, GAC has laid out an interim strategy that delivers collective benefits.

They may be smaller than the past few years, but it's a start on the path to rebuilding the capacity of the Foundation.

GAC's Interim strategy – focus on long term and sustainable outcomes

In response to the shortfall in funding and the suspension of member benefit programs, Gumala is committed to continue working with its members and beneficiaries.

GAC has re-structured its programs with a focus in the following key areas:

Health

The aim of the Health strategy is to promote and ensure that all programs:

- are shaped around the health needs of individual members, their families and communities;
- focus on the prevention of disease and injury and the maintenance of health, not simply the treatment of illness;
- support an integrated approach to the promotion of healthy lifestyles, prevention of illness and injury, and diagnosis and treatment of illness across the continuum of care; and
- provide all Gumala members with timely access to quality health services based on their needs, not ability to pay, regardless of where they live in the country .

The objectives of the strategy are to promote and ensure improved:

- Better health outcomes; and Better health services as documented in the National Healthcare Agreement 2012.

Transitions to school and pathways

The aim of the Transition to School and Pathways strategy is to promote and ensure:

- children's successful transition to school;
- children's school participation rates k-10 and;
- young people's transition from year 10 to 12 and/or further education, training, employment.

The objectives of the strategy are to promote and ensure improved:

- school participation rates;
- attainment of learning outcomes; and,
- post-school destinations.

Workforce development

The aim of the Workforce Development strategy is to promote and ensure:

- the skill levels of the working age population are increased to meet the changing needs of local employers and the local economy; and
- training delivered meets the skills and capabilities demanded by local employers and the local economy.

The objectives of the strategy are to promote and ensure improved:

- job placement rates;
- job retention rates; and,
- training and higher education participation rates at CIII and above.

Rangers

The aim of the Ranger strategy is to rely on working with Elders to bring a wealth of knowledge and integrity around a more holistic approach to land management and conservation. The strategy ensures it is guided by our members in cultural practice, strengthening connection to the environment.

The objectives of the strategy are to engage our members creating employment and leadership opportunities as well as to create custodianship ensuring that our members have a greater role and say in how their country is managed.

Place Planning

The aim of the Place Planning strategy is to:

- support Members in developing communities in which they can connect, live and work whilst preserving culture;
- address current and future challenges faced by the community.
- the objectives of the strategy are to:
- establish a vision and path forward for communities aligned with the current and future needs of those communities;
- develop tactical and action oriented strategies focusing on communities' connection to place; and,
- improve the social, economic, environmental and cultural outcomes of each community as defined by the community.

Following the success of this initial partnership, Gumala are looking forward to working with Curtin into the future, with the university also having expressed an interest in working with Gumala for a further four years on community projects.

FINANCIAL STATEMENTS

For the year ended 30 June 2015

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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

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165 Adelaide Terrace
East Perth WA 6004
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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 (the Gumala Trust) present their report on the operations of the General Gumala Foundation Trust (GGF), for the financial year ended 30 June 2015.

Directors

The names of the Directors of the Gumala Trust in office at any time during, or since the end of, the year are:

	Summary of Director's Term		Summary of Board Attendance	
	Term of Office	Position on the Gumala Trust Board	Number of Meetings Eligible to Attend	Number of Meetings Attended
Banyjima				
Gavin MacLean	1 July 14 – 30 June 15	Director	11	9
Innawonga				
Brendon Cook Snr*	13 Oct 13 – 24 Oct 14	Deputy Chair (30 Oct 13 – 24 Oct 14)	3	3
Roy Tommy **	19 Dec 14 – 30 June 15	Director	7	5
Nyiyaparli				
Dennis Long	13 Oct 13 - 30 June 15	Director	11	9
Independents				
Colleen Hayward	1 July 14 - 30 June 15	Chairperson	11	11
Christopher Pye	1 July 14 – 30 June 15	Director	11	9
Rachelle Towart	1 July 14 – 30 June 15	Director	11	11

Note: During the financial year there were 11 the Gumala Trust Board Meetings.

* Brendan Cook Snr's term concluded on 24 October 2014.

** Roy Tommy was appointed as a Director on 19 December 2014.

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
Brendon Cook	12,700	1,206	13,906	1 July 14 – 24 Oct 15
Colleen P Hayward	76,000	7,220	83,220	1 July 14 – 30 June 15
Dennis Long	40,005	3,800	43,805	1 July 14 - 30 June 15
Gavin S MacLean	40,000	3,800	43,800	1 July 14 - 30 June 15
Christopher Pye	55,000	5,225	60,225	1 July 14 – 30 June 15
Roy Tommy	18,436	1,751	20,187	19 Dec 14 - 30 June 15
Rachelle A Towart	47,707	4,532	52,239	1 July 14 - 30 June 15
TOTAL	289,848	27,534	317,382	

Note 1: The Directors did not accept any performance bonus or any other incentives, though a loading was paid to the two independent Directors who chaired the Gumala Trust committees.

Note 2: The table refers to actual remuneration received. It does not include costs incurred by the Gumala Trust 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 net deficit for the 2015 financial year is $10,430,111 (2014: Surplus $4,978,204). Please refer to the audited financial report from page 18 for details on the financial performance and results for the financial year.

KEY HIGHLIGHTS

Due to changes in Rio Tinto's method of extraction at the Yandicoogina mine, Land Use Agreement compensation declined year-on-year by 63% from $20,740,515 in 2014 to $7,612,921 in 2015. No provision for contribution to the Investments Income Utilisation Category was possible. This is the second year in which no addition has been made to the future fund from income.

Investment holdings decreased to $88,536,491 as at 30 June 2015, which is a decrease of $6.83 million on the previous figure of $95,370,605 as at 30 June 2014.

At $599,712, the Trustee Company's liabilities are at their lowest point in the past five years.

Within these figures are some significant movements, as can be seen in the table below and in Note 16.

	30 June 2015	30 June 2014
Cash and cash equivalents	13,609,607	23,512,236
Investment properties	21,355,000	19,715,041
Available for sale financial assets	53,571,884	52,143,328
Total Investments	88,536,491	95,370,605

There is no denying that there has been a significant deterioration in the state of the future fund. The combined decline in cash and cash equivalents and trade and other receivables is $15,824,564. There are equally significant reasons for this decline.

The decline in cash

The cash position of the Trust has declined by $9,902,669.

The Trust paid $5,681,855 in the year to complete the construction of the ten houses in South Hedland. This was paid from Trust cash. With the houses having a combined value of $5.930M, this investment has proven to have little short-term benefit to the Trust, but it should be noted that property investment is not a short-term endeavour.

The Trust also entirely cleared its liability to Gumala Aboriginal Corporation (GAC) of $4.857M (the 'committed funds' noted in last year's report) from Trust cash.

After an initial GAC budget, presented in June 2014, was not able to be approved a substantially revised budget for GIPL and GAC was approved in December 2014 subject to consideration of further revisions that may have been necessary if economic conditions continued to deteriorate. The budget position was considered again in February and further revisions adopted.

The combination of these two factors – paying for South Hedland houses and the payment of the committed funds liability – totals $10,538,930 and explains the deterioration of the cash position of the Trust.

Investment property

The decline in the mining industry affected the Western Australian economy and subsequently property prices in the Pilbara region and the Perth CBD have fallen in value. The Foundation has an accounting policy of performing valuations for investment properties at least once every three years and has had all the values of its investment properties appraised independently in the current year ended 30 June 2015, following which the Foundation recognised a reduction in the fair value of $6.55 million for the investment properties portfolio.

Trade and receivables

The trade and receivables position of the Trust has declined by $7,350,491.

The Trust has determined that, at the time of publishing these statements, it cannot be certain that it will receive the balance of its share of the profits that have been declared by the Gumala Enterprises Trust (Gumala Enterprises Pty Ltd as Trustee for the Gumala Enterprises Trust). It has determined that this debt from GEPL is doubtful, which means that the Trust will still endeavour to recover the money but cannot be certain that GEPL is in a position to pay. The Trust is not writing this debt off.

The value of this doubtful debt, which is a decline in the trade and receivables of the Trust, is $3,329,302.

Trade and receivables also includes the amount that accrued from the Yandi Land Use Agreement for the final three months of the year. As can be seen, the compensation payments continued to deteriorate over the course of the year, with the $2,451,125 reduction in accrued income explained by a $3,623,270 reduction in compensation for the comparative June quarters.

The decline in property markets also affected rents in Perth and Tom Price, and, significantly, a tenancy ended at 165 Adelaide Terrace. Rental income declined by $623,166.

In addition, the decline in the cash position of the Trust had a knock-on effect on interest received during the year. Interest declined by $511,677.

These four factors – the GET's doubtful debt, declining YLUA compensation, declining rent and declining interest – explain the majority of the reduction in trade and receivables for the Trust.

In January GIPL commenced an assessment of the financial circumstances of the Foundation which necessitated full access to the books and records of GAC. That access was granted in May. The assessment is a work in progress. The results of that assessment may in the medium to long term require an adjustment to the financial position of GIPL but it is yet far too early to report whether any such adjustment will or should be made.

Reduction in administration costs

GIPL reduced its operational and administrative costs by $671,688. Of its administration costs, $337,404 consists of costs associated with providing Shared Services to both GAC and GIPL.

GIPL administration costs comprised 24% of total revenue.

Reduced payments to GAC

While GAC reduced its request for monies for member benefits by $15,901,015 (78%) its request for administration funding increased by $693,471 (12%).

Total payments to GAC of $10,936,893 was the equivalent of 77% of total revenue for the year.

GAC administration costs comprised 46% of revenue.

The Review of the Register of Traditional Owners was completed and a new process for applications instituted jointly by GAC and GIPL.

The South Hedland Housing Project was completed and all houses have been leased at commercial rates of rent.

The 'Committed Funds' liability to GAC was cleared.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Board and Staff renewal

The majority of the board continued its term throughout the year. Former Innawonga Director Brendan Cook was removed from the GIPL board by GAC in October 2014 and replaced by Roy Tommy in December 2014.

Rewi Lyall was appointed on a part time basis in October 2014 and appointed as General Manager in March 2015.

Roberta Quintavell commenced as Chief Investments and Finance Officer in October 2014 and resigned in December 2014.

Laura Coe commenced as Foundation Operations and Assets Manager in January 2015.

Wayne Stone commenced as Foundation Executive Governance and Compliance Manager in November 2014 and resigned in April 2015.

Vic Grant commenced as Foundation Executive Governance and Compliance Manager in May 2015.

John Raftis commenced as Foundation Financial Accountant in April 2015.

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

As part of rationalising ongoing operating costs, as of 1 September 2015 the administrative functions for GIPL were consolidated with the majority of those of Gumala Aboriginal Corporation to form a shared services team covering finance, governance, human resources and information technology for both entities. This consolidation 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. Extensive consultation with staff achieved a Board approved Shared Services Charter to support the model and provide a framework for continuous improvement while saving substantial administrative costs across the GGF.

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

Other than noted in the preceding paragraphs, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in future financial years.

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 cost efficiencies for the Foundation.

GIPL aims 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

In the past year GIPL has:

- reduced its liabilities by paying to GAC the entirety of the 'Committed Funds' liability noted in last year's statements;
- obtained actuarial modelling to project and better manage the future growth of the future fund;
- actively managed the crisis presented by the 75% reduction in Land Use Agreement compensation received from Rio Tinto by requiring cuts to Foundation expenditure;
- supported GAC in its efforts to conduct an investigation into the financial circumstances of the Foundation;
- conducted a thorough review and revision process for the development of more rigorous policies and procedures; and
- introduced the practice of applying commercial rates of rent on residential and commercial properties owned by the Foundation in Tom Price, South Hedland and Perth.

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

In the last 12 months, the price of iron ore has fallen significantly and the manner of its extraction by Rio Tinto at the Yandicoogina Mine has continued to negatively affect the amount of compensation received from Rio Tinto under the terms of the Yandi Land Use Agreement for the benefit of the Traditional Owners. These conditions are expected to prevail for at least the next financial year.

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 2014/15 the following Committees were operational:

- Joint Investments Committee;
- Audit & Risk Committee; and
- Remuneration and Human Resources Committee.

In 2014 the board amalgamated the Audit and Risk and Remuneration and Human Resources Committees.

GIPL and GAC endorsed the Foundation Application Review Committee Charter in August 2015

All committees have since 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 Joint 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 Audit and Risk Committee are in the areas of Risk Management, Control Framework, Legislative and Regulatory Compliance, Internal Audit and External Audit.

During 2015 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.

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 shall be considered as 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;
- 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.

	2014/15	2013/14
Directors	317,382	330,194
Key Management Personnel	220,329	373,820
Total	537,711	704,014

KEY MANAGEMENT PERSONNEL

Name	Title
Rewi Lyall	GIPL General Manager
Vic Grant	Foundation Executive Manager Governance
Laura Coe	Foundation Operations and Assets Manager
John Raftis	Foundation Financial Accountant

THE GUMALA TRUST REMUNERATION BANDS

Remuneration Band ($)	2014/15	2013/14
0 – 50K	-	-
50 – 100K	-	-
100 – 150K	1	-
150 – 200K	2	1
200 – 250K	-	1
250 – 300K	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-in-confidence 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 2015 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: CHayward

Chairperson – Colleen Hayward AM

Dated this 24th day of November 2015

AUDITOR'S INDEPENDENCE DECLARATION

Grant Thornton

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Auditor's Independence Declaration
To the Directors of Gumala Investments Pty Ltd ATF The General Gumala Foundation

As the lead auditor of Gumala Investments Pty Ltd ATF The General Gumala Foundation for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner – Audit & Assurance

Perth, 24 November 2015

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Note	30 June 2015 ($)	30 June 2014 ($)
Revenue			
Land Use Funds	2(a)	7,612,921	20,740,515
Investment Income	2(a)	4,626,641	3,607,538
Rental Income	2(a)	510,881	1,134,047
Total Revenue		**12,750,443**	**25,482,100**
Other Income			
GET Distribution	2(a)	901,929	5,066,571
Grant funding returned from GAC		260,987	-
Fair value gain on disposal of available-for-sale financial assets		263,679	1,548,887
Total Other Income		**1,426,595**	**6,615,458**
Total Revenue and Other Income		**14,177,038**	**32,097,558**
Expenditure			
Impairment of available-for-sale financial assets	8	1,081,586	-
Impairment of investment properties	7	6,548,251	-
Employee benefits expense	2(b)	858,422	776,761
Management & administration expenses	2(c)	1,205,126	1,678,920
Depreciation expense	5,7	37,294	221,178
Amortisation expense	6	228,214	-
Loss on disposal of intangible assets	6	50,822	-
Provision for doubtful debt	4	3,329,302	-
Investment rental expenses and outgoings		409,045	624,990
Manager operating costs	2(e)	6,478,048	5,784,577
Member benefit grant funding costs	2(e)	4,458,845	20,359,860
Other expenses	2(d)	2,175	160,937
Total Expenditure		**24,687,130**	**29,607,223**
SURPLUS/(DEFICIT) FOR THE YEAR		**(10,510,092)**	**2,490,335**
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss:			
Unrealised gains on available-for-sale financial assets	8	448,465	2,487,869
Items that will not be reclassified subsequently to profit or loss:			
Unrealised gains from revaluation of property, plant & equipment		(368,483)	-
Total Other Comprehensive Income		79,982	2,487,869
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**(10,430,110)**	**4,978,204**

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 2015

	Note	30 June 2015 ($)	30 June 2014 ($)	Restated 1 July 2013($)
Assets				
Current Assets				
Cash and cash equivalents	3	13,609,607	23,512,236	27,001,847
Trade and other receivables	4	3,472,825	5,741,674	12,736,298
Total Current Assets		**17,082,432**	**29,253,910**	**39,738,145**
Non-Current Assets				
Trade and other receivables	4	422,515	5,504,157	460,371
Property, plant and equipment	5	352,508	3,250,549	3,256,892
Intangible assets	6	298,546	532,425	-
Investment properties	7	21,355,000	19,715,041	19,146,543
Available for sale financial assets	8	21,355,000	19,715,041	19,146,543
Total Non-Current Assets		**76,000,453**	**81,145,500**	**64,174,527**
TOTAL ASSETS		**93,082,885**	**110,399,410**	**103,912,672**
Liabilities				
Current liabilities				
Trade and other payables	9	570,644	2,627,575	1,106,982
Provisions	10	29,068	1,477	13,536
Committed Funds	11	-	4,857,075	-
Total Current Liabilities		**599,712**	**7,486,127**	**1,120,518**
TOTAL LIABILITIES		**599,712**	**7,486,127**	**1,120,518**
NET ASSETS		**92,483,173**	**102,913,283**	**102,792,154**
Funds				
Member funds		85,124,972	95,635,064	81,958,554
Asset Revaluation Reserve	12	50,300	418,743	418,743
Financial Assets Reserve	12	7,307,901	6,859,436	4,371,567
Contingency Fund	18	-	-	16,043,250
TOTAL FUNDS		**92,483,173**	**102,913,283**	**102,792,154**

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 2015

	Note	Member Funds ($)	Asset Revaluation Reserve ($)	Financial Assets Reserve ($)	Contingency Fund ($)	Total ($)
30 JUNE 2013 FINANCIAL YEAR						
Balance at 1 July 2012		72,264,978	-	-	-	72,264,978
Prior year adjustment	19	(487,002)	-	-	-	(487,002)
Restated Balance at 1 July 2012		**71,777,976**	**-**	**-**	**-**	**71,777,976**
Restated surplus		22,771,693	-	-	-	22,771,693
Other comprehensive income		-	418,783	4,371,567	-	4,790,350
Total comprehensive income for the year		**22,771,693**	**418,783**	**4,371,567**	**-**	**27,562,043**
Equity transfers		(12,591,115)	-	-	12,591,115	-
Transfer Committed Funds Liability		-	-	-	3,452,135	3,452,135
BALANCE AT 30 JUNE 2013		**81,958,554**	**418,783**	**4,371,567**	**16,043,250**	**102,792,154**
30 JUNE 2014 FINANCIAL YEAR						
Balance at 1 July 2013		81,958,554	418,783	4,371,567	16,043,250	102,792,154
Restated surplus		2,490,335	-	-	-	2,490,335
Other comprehensive income		-	-	2,487,869	-	2,487,869
Total comprehensive income for the year		**2,490,335**	**-**	**2,487,869**	**-**	**4,978,204**
Equity transfers	18	11,186,175	-	-	(11,186,175)	-
Transfer Committed Funds Liability	11	-	-	-	(4,857,075)	(4,857,075)
BALANCE AT 30 JUNE 2014		**95,635,064**	**418,783**	**6,859,436**	**-**	**102,913,283**
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	8	-	(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**

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 2015

	Note	30 June 2015 ($)	30 June 2014 ($)
Cash Flows From Operating Activities			
Receipts from:			
Land use YLUA funds		11,236,192	25,405,856
Dividend income		2,561,550	1,872,984
Interest income		934,375	1,543,473
Rental income		461,521	1,180,488
GET Distribution		2,639,198	400,000
Payments to Suppliers and Employees		(4,598,155)	(3,843,198)
Payment for grant funding of member benefits		(15,532,981)	(22,678,174)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	**13**	**(2,298,300)**	**3,881,429**
Cash Flows From Investing Activities			
Proceeds from sale of property, plant and equipment			-
Purchase of property, plant and equipment & software		(59,246)	(828,873)
Purchase of available-for-sale investments		(13,600,332)	(12,342,138)
Proceeds from disposal of available-for-sale investments		6,040,178	5,777,185
Net Cash Provided by (used in) Investing Activities		**(7,619,400)**	**(7,393,826)**
Cash Flows From Financing Activities			
Repayment of GHOS loans		15,071	22,786
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		**15,071**	**22,786**
Net decrease in cash held		(9,902,629)	(3,489,611)
Cash and cash equivalents at beginning of the financial year		23,512,236	27,001,847
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**3**	**13,609,607**	**23,512,236**

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 2015

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 24th November 2015 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 2015, 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 2014. 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.

Note 1: Summary of Significant Accounting Policies (continued)

(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-for-sale 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 written-off 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.

(l) 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. As at the reporting date there were no long term employee benefits provided for.

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

Available for sale financial assets ('AFS Financial Assets') are non derivative 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 non current 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 non derivative 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 non current assets.)

(iii) Financial liabilities

Non derivative 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 non cash 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 $6,548,251 (2014: nil) 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 $363,483 (2014: nil) has been recorded as other comprehensive income due to the revaluation of the property, plant and equipment. Refer to Note 5;
- a value of $1,081,586 (2014: nil) 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; and

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 reporting year, the Trust received $2,639,198 from the GET Distribution. Refer to Note 4. After receiving these funds, a further distribution of $901,929 was declared (Refer to Note 2a), leaving $3,329,302 receivable at the balance date. The Trust has provided for the debt as doubtful, based on the current financial position of GET

Note 2 (a) Revenue

	30 June 2015 ($)	30 June 2014 ($)
Land use funds	7,612,921	20,740,515
TOTAL LAND USE FUNDS	7,612,921	20,740,515

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

	30 June 2015 ($)	30 June 2014 ($)
Investment Income		
Dividend and distributions	3,732,367	2,201,587
Interest income	894,274	1,405,951
TOTAL INVESTMENT INCOME	**4,626,641**	**3,607,538**

Return of income from term deposits and available-for-sale financial investments (Note 8).

	30 June 2015 ($)	30 June 2014 ($)
Rental Income		
Rental income – Tom Price Houses	415,051	605,943
Rental income – 165 Adelaide Terrace	95,830	528,104
TOTAL RENTAL INCOME	**510,881**	**1,134,047**

Receipt of gross rental income is derived from investment properties (Note 7).

	30 June 2015 ($)	30 June 2014 ($)
GET Distribution	901,929	5,066,571
DECLARED DISTRIBUTION FROM GUMALA ENTERPRISES TRUST	**901,929**	**5,066,571**

The above represents the profit distribution declared from the Gumala Enterprises Trust for the 2015 and 2014 financial years. GEPL made payments to the Trust for a portion of these distributed profits during the year of $2,639,198. However, the Trust has determined that at the time of publishing these statements the balance of the 30 June 2014 distribution and the total of the 30 June 2015 distribution must be considered doubtful debt. (Note 4)

Note 2 (b) Employee benefits expense

	30 June 2015 ($)	30 June 2014 ($)
Wages & Salaries	**756,473**	**490,203**
Employment termination payments	-	235,906
Superannuation	69,255	50,652
Employee benefit provisions	32,694	-
TOTAL EMPLOYEE BENEFITS EXPENSE	**858,422**	**776,761**

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 that was developed over the course of the year.

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 to take up Foundation roles and GIPL has taken over responsibility for their leave entitlements accrued whilst working for GAC.

Note 2 (c) Management and administration expenses

	30 June 2015 ($)	30 June 2014 ($)
Auditors	47,446	41,625
Investment adviser fees	235,375	223,369
Internal auditors	-	39,346
Legal fees	170,502	129,769
Consultant fees - Administration	435,827	121,302
Consultant fees - Review of Foundation and Trust Deed	-	109,565
Consultant fees - Restructure Review	-	24,105
Other management and administration expenses	315,976	989,839
TOTAL	**1,205,126**	**1,678,920**

Fees paid to auditors, consultants, lawyers, and investment advisers for the financial year.

Although the Trust reduced the amount paid in management and administration expenses over the year, it was necessary to access external expertise in a number of significant instances. These were:

- an external contractor Company Secretary engaged by the Trust for the months of July to September;
- advice from Ernst and Young on improvements to the Microsoft NAV platform adopted by GAC, GEPL and GIPL as its accounting platform and implemented during the course of the year;
- advice from Ernst and Young on the financial circumstances of the Foundation, including both GAC and GIPL; and,
- legal advice and advocacy regarding the Trust's endeavours to gain access to the books and records of GAC.

Note 2 (d) Other expenses

	30 June 2015 ($)	30 June 2014 ($)
Beneficiaries register costs comprises:		
Anthropological services	2,175	86,011
Beneficiary survey	-	-
Elders consultation costs	-	55,322
Elders meeting Costs	-	19,604
TOTAL	**2,175**	**160,937**

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.

Note 2 (e) Member grant funding expenses

	30 June 2015 ($)	30 June 2014 ($)
Manager operational costs	6,478,048	5,784,577
Business Development Grants	676,269	3,366,011
Community Development Grants	1,576,429	6,055,792
Cultural Purposes Grants	256,639	1,647,067
Education & Training Grants	1,090,219	3,152,814
Health & Wellbeing Grants	835,193	4,983,096
Other Grant Funding	24,096	1,155,079
TOTAL MEMBER GRANT FUNDING EXPENSE	**10,936,893**	**26,144,436**

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

Note 3 Cash and Cash Equivalents

	30 June 2015 ($)	30 June 2014 ($)
Current		
Cash at bank	9,999,087	2,357,796
Short-term deposits with banks	3,610,520	21,154,440
TOTAL	**13,609,607**	**23,512,236**

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 six months and earn interest at market rates.

Note 4 Trade and Other Receivables

	30 June 2015 ($)	30 June 2014 ($)
Current		
Trade receivables	22,175	500
Other debtors	51,311	-
Accrued income	2,774,160	5,225,285
Prepayments	78,021	38,426
Franking credits receivable	547,158	477,463
TOTAL	**3,472,825**	**5,741,674**
Non-Current		
GHOS loans receivable	422,515	437,586
Distribution receivable from - GET (a)	3,329,302	5,066,571
Provision for doubtful debt (a)	(3,329,302)	-
TOTAL	**422,515**	**5,504,157**

Current trade receivables are non interest bearing and are generally on 30 60 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 $2,427,373 from the distribution receivable from the Gumala Enterprises Trust (GET) declared for the year ended 30 June 2014. Of the original declared distribution of $5,066,571, GET only remitted an amount of $2,639,198 during 2015. This remaining balance of $2,427,373 has been provided for in full in this year's financial report. In addition the distribution declared and receivable from GET for 30 June 2015 is $901,929 (Refer to Note 2a). This amount has also been provided for in full. The total amount provided for as a doubtful debt in the current year amounts to $3,329,302. This provision is to cover the situation where GET cannot pay the distribution in a future period (based upon its current financial position) and so the Trust has recognised an expense in the current year for the $3,329,302. 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 2015 ($)	30 June 2014 ($)
Land and buildings	340,000	3,253,335
Office Equipment	75,349	64,844
Software Costs	-	532,426
Accumulated Depreciation	(62,841)	(67,630)
TOTAL	**352,508**	**3,250,549**

(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 2013	**3,238,139**	**18,753**	**3,256,892**
Additions	7,552	6,496	14,049
Disposals – written-down value	-	-	-
Depreciation expense	(12,030)	(8,362)	(20,392)
CARRYING AMOUNT AT 30 JUNE 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**

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

* In the previous year a portion of the Trust's building on 165 Adelaide Terrace, East Perth had been treated and classified as land & buildings. Upon review by the Board, due to GIPL moving offices within the East Perth property and based on the use of the property, it has been determined that the most appropriate treatment is to treat the entire East Perth building under Investment Properties. Refer to Note 7.

** The revaluation of the Limpett Cresent property has resulted in a revaluation decrease being taken to the Asset Revaluation Reserve. Refer to Note 12.

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 2015 ($)	30 June 2014 ($)
Software	493,401	532,425
Accumulated Depreciation	(194,855)	-
TOTAL	**298,546**	**532,425**

(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 2013	-	-
Transfer from Property, Plant & Equipment	532,425	532,425
Additions	-	-
Amortisation expense	-	-
CARRYING AMOUNT AT 30 JUNE 2014	**532,425**	**532,425**
Transfer from Property, Plant & Equipment	-	-
Additions	45,157	45,157
Disposals – written-down value	(50,822)	(50,822)
Depreciation expense	(228,214)	(228,214)
CARRYING AMOUNT AT 30 JUNE 2015	**298,546**	**298,546**

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

Note 7 Investment Properties

	30 June 2015 ($)	30 June 2014 ($)
Balance at beginning of the period	19,715,041	19,146,543
Additions	5,681,855	769,284
Transfer Land & Buildings from Property, Plant & Equipment	2,506,355	-
Fair value adjustments	(6,548,251)	-
Depreciation expense	-	(200,786)
BALANCE AT END OF THE PERIOD	**21,355,000**	**19,715,041**

During the year the investment properties held by the Foundation were revalued to fair value. This resulted in a reduction of $6,548,251 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 2015 ($)	30 June 2014 ($)
AFS financial assets comprise:		
Fixed interest securities, at fair value	17,020,309	17,593,019
Listed equities securities, at fair value	36,551,575	34,550,309
TOTAL AFS FINANCIAL ASSETS	**53,571,884**	**52,143,328**

Reconciliation of AFS Financial Assets:

	30 June 2015 ($)	30 June 2014 ($)
Balance at 1 July	52,143,328	41,310,721
Purchases	7,918,475	12,342,138
Disposals	(5,856,798)	(5,436,482)
Revaluation increment	(633,121)	3,926,951
BALANCE AT 30 JUNE	**53,571,884**	**52,143,328**

Available-for-sale financial assets (AFS) are stated at fair value (Note 18). 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 cash dividends and distributions from these investments are reinvested to grow the overall investments portfolio. The growth in the values of the investments held over and above the original cost price is recognised in the Financial Assets Reserve (Note 12) until the investments are physically sold. This Reserve had not been in place in prior years and Note 19 provides detail for the changes to prior year reported financial statements.

Note 9 Trade and Other Payables

	30 June 2015 ($)	30 June 2014 ($)
Current		
Trade payables	318,649	2,398,553
Other payables and accruals	251,995	229,022
TOTAL	**570,644**	**2,627,575**

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.

Note 10 Provisions

	Employee Benefits	
	30 June 2015 ($)	30 June 2014 ($)
Current		
Annual leave	29,068	1,477
TOTAL CURRENT	**29,068**	**1477**

Provision for employee benefits represents amounts accrued for annual 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.

Note 11 Committed Funds

	30 June 2015 ($)	30 June 2014 ($)
Committed funds	-	4,857,075
BALANCE AT 30 JUNE	**-**	**4,857,075**

Committed funds resulted from the review of the contingency fund undertaken by the Trustee Company and Gumala Aboriginal Corporation in the prior year.

The Trustee Company has paid this liability in full to GAC.

The money was applied by GAC to various expenses including the GAC deficit for 2014, Home Renovations and Maintenance, Karijini Eco Resort, the Wirrilimarra homeland community and the refurbishment of offices at 165 Adelaide Terrace.

There are no committed funds this reporting period. See Note 18.

Note 12 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 2015 ($)	30 June 2014 ($)
Balance at 1 July	418,783	418,783
Revaluation of land and buildings	(368,483)	-
BALANCE AT 30 JUNE	**50,300**	**418,783**

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 current year, an amount of $368,433 has been 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 2015 ($)	30 June 2014 ($)
Balance at 1 July	6,859,436	4,371,567
Revaluation increment of AFS Investments	448,465	2,487,869
BALANCE AT 30 JUNE	**7,307,901**	**6,859,436**

Note 13 Cash flow information

	30 June 2015 ($)	30 June 2014 ($)
Reconciliation of surplus/(deficit)to net cash provided by operating activities		
Surplus/(deficit) for the year	(10,510,092)	2,490,335
Add (less) non-cash items:		
Depreciation	37,294	221,178
Amortisation	228,214	-
Loss on disposal of intangible assets	50,822	-
GET Distribution	-	(5,066,571)
Provision for doubtful debt	3,329,302	-
Impairment of AFS investment	1,081,586	(1,436,616)
Gain/(loss) on sale of AFS investments	(263,679)	(109,805)
Impairment of investment properties	6,548,251	-
Increases and decreases in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	4,086,418	6,763,725
Increase/(decrease) in provisions	27,590	(12,059)
Increase/(decrease) in committed funds	(4,857,075)	-
Increase/(decrease) in trade and other payables	(2,056,931)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	**(2,298,300)**	**3,881,429**

While these statements record a deficit of $10,430,110, the majority of this deficit is an unrealised, or paper, deficit.

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.

For example, the provision for doubtful debt has not been lost yet. In order to figure out the actual cash position this figure is discounted from the paper deficit. The same is true of the revaluation of investment properties because, although they have been revalued at lower values, they have not been sold and so the loss in value has not been incurred, or 'realised

Note 14 Auditor's Remuneration

	30 June 2015 ($)	30 June 2014 ($)
Fees paid or payable as to the auditor for:		
Auditing the financial report by Grant Thornton Audit Pty Ltd	35,000	-
Auditing the financial report by Byfields		41,625
TOTAL	**35,000**	**41,625**

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

Note 15 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 20 in the Directors Report.

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

	30 June 2015 ($)	30 June 2014 ($)
Short-term employee benefits	201,214	302,238
Post-employment benefits*	19,115	27,956
TOTAL	**220,329**	**330,194**

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

(b) 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.

(c) Transactions with related parties

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

(d) Other related parties

The following transactions occurred with related parties:

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. (2014: $11,973).

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. (2014: $11,973).

Note 16 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 2015 ($)	30 June 2014 ($)
Classes of financial assets			
Carrying amounts:			
Cash and cash equivalents	3	13,609,607	23,512,236
Trade and other receivables	4	3,895,340	11,245,831
Available-for-sale financial investments	8	53,571,884	52,143,328
TOTAL		**71,076,831**	**86,901,395**

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.

(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 2015 ($)	30 June 2014 ($)
Available-for-sale financial assets comprise:		
Fixed interest securities, at fair value	17,020,309	17,593,019
Listed equities securities, at fair value:	36,551,575	34,550,309
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**53,571,884**	**52,143,328**

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 $1,081,586 recognised at reporting date 30 June 2015 (2014: Nil).

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 ($)	Equity ($)
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
YEAR ENDED 30 JUNE 2013		
+/– 1% in interest rates	14,802	14,802
+/– 10% in equity prices	482,219	482,219

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 4 and 6) significantly exceed the current cash outflow requirements.

As at 30 June 2015, the table below reflect 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 2 years ($)
30 June 2015					
Trade and other payables	570,644	570,644	-	-	-
TOTAL FINANCIAL LIABILITIES	**570,644**	**570,644**	-	-	-
30 June 2014					
Trade and other payables	2,627,575	2,627,575	-	-	-
Committed funds	4,857,075	-	4,857,075		
TOTAL FINANCIAL LIABILITIES	**7,484,650**	**2,627,575**	**4,857,075**	-	-
30 June 2013					
Trade and other payables	1,106,982	1,106,982	-	-	-
TOTAL FINANCIAL LIABILITIES	**1,106,982**	**1,106,982**	-	-	-

The Trustee Company's liabilities are at their lowest point in the past five years.

Note 17 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 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	5	-	340,000	-	340,000
NET FAIR VALUE		**-**	**21,695,000**	**-**	**21,695,000**
30 June 2014					
Financial assets					
Available-for-sale financial investments	8	52,143,328	-	-	52,143,328
NET FAIR VALUE		**52,143,328**	**-**	**-**	**52,143,328**
Non-financial assets					
Investment properties	7	-	19,146,543	-	19,146,543
Property, plant and equipment	5				
Buildings		-	3,253,335	-	3,253,335
NET FAIR VALUE		**-**	**22,399,878**	**-**	**22,399,878**

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 property holdings were reviewed by third parties and their values adjusted accordingly for 30 June 2015.

Note 18 Contingency Fund

	30 June 2015 ($)	30 June 2014 ($)
Opening balance at beginning of the year	-	**16,043,250**
Equity adjustment to member benefits	-	(11,186,175)
Committed funds to GAC	-	(4,857,075)
CLOSING BALANCE AT THE END OF THE YEAR	-	-

GIPL – Gumala Investments Pty Ltd as Trustee for the General Gumala Foundation

GAC – Gumala Aboriginal Corporation as Manager for the General Gumala Foundation

During the 2014 year the Directors of the Trustee Company and Gumala Aboriginal Corporation reviewed the methodology of the contingency fund. It was resolved the contingency fund would be dissolved at 30 June 2014 and an amount of $4,857,075 would be paid to Gumala Aboriginal Corporation subject to compliance with the Trust Deed. This amount was recognised as a liability on the trust and was paid in full to Gumala Aboriginal Corporation in the 2015 year.

Note 19 Restatement of Comparatives

Correction of prior period errors

Accrued Income – years ended 30 June 2013 and 30 June 2014

Upon review of the internal records of the Trust, it was identified that the receivables for the 30 June 2013 and 30 June 2014 financial years had been understated by $2,941,888. This was due to an error resulting from a journal processed in the 30 June 2013 financial year. This error has now been rectified by restating each of the affected financial statement line items for prior periods in the table on the following page.

The total comprehensive income of the Trust for the year ended 30 June 2014 has not changed as a result of this error.

Available for Sale Financial Asset – years ended 30 June 2013 and 30 June 2014

The financial statements of the Trusts for the years ended 30 June 2014 and 30 June 2013 included an error in that the gain on the fair value of the AFS Financial Assets should have been treated through the AFS Reserve and thus other comprehensive income. In these previous reporting periods, it was incorrectly applied directly through profit or loss, which is not consistent with the accounting policy of the Trust at Note 1(n) or the Australian Accounting Standards.

The effects of this error on the comparable periods presented are as follows:

- as at 1 July 2013, the member funds were overstated by $4,371,567, and the AFS reserve was understated by $4,371,567; and
- for the year ended 30 June 2014, the profit or loss was overstated as the unrealised gain on the AFS financial assets totaling $2,487,869 was reported in profit or loss. The AFS Reserve was understated by the same amount.

The total comprehensive income of the Trust for the year ended 30 June 2014 has not changed as a result of this error.

Intangible Assets – year ended 30 June 2014

The financial statements of the Trust for the year ended 30 June 2014 included an error in that the $532,425 costs capitalised to property, plant and equipment are intangible assets under the Australian Accounting Standards. This error has now been rectified by reclassifying these costs as intangible assets in the 30 June 2014 comparative information.

Asset Revaluation Reserve – years ended 30 June 2013 and 30 June 2014

The financial statements of the Trust for the years ended 30 June 2013 and 30 June 2014 included an error in that the Asset Revaluation Reserve contained an amount of $5,017,767 relating to the revaluation of investment properties. Under Australian Accounting Standards and the Trust's policy, fair value gains on revaluation of investment properties must go through the profit or loss. This error has now been rectified by reclassifying this amount from the Asset Revaluation Reserve to Member Funds.

	30 June 2014			30 June 2013		
Statement of Financial Position (extract)	Previous amount ($)	Adjustment ($)	Restated amount ($)	Previous amount ($)	Adjustment ($)	Restated amount ($)
Trade and other receivables	2,799,786	2,941,888	5,741,674	9,794,410	2,941,888	12,736,298
Property, plant and equipment	3,782,974	(532,425)	3,250,549	3,256,892	-	3,256,892
Intangible assets	-	532,425	532,425	-	-	-
Net assets	99,971,395	2,941,888	102,913,283	99,850,266	2,941,888	102,792,154
Member funds	94,534,885	1,100,179	95,635,064	78,370,506	3,880,048	81,958,554
Asset revaluation reserve	5,436,510	(5,017,767)	418,743	5,436,510	(5,017,767)	418,743
Financial asset reserve	-	6,859,436	6,859,436	-	4,371,567	4,371,567
Total equity	99,971,395	2,941,888	102,913,283	99,850,266	2,941,888	102,792,154

	30 June 2014		
Statement of Profit or Loss and Other Comprehensive Income (extract)	Previous amount ($)	Adjustment ($)	Restated amount ($)
Fair value gain on disposal of AFS financial assets	109,805	1,439,082	1,548,887
Net losses in fair value on AFS financial assets	3,926,951	(3,926,951)	-
Surplus for the Year	**4,978,204**	**(2,487,869)**	**2,490,335**
Other Comprehensive Income:			
Unrealised gains from AFS Financial Assets	-	2,487,869	2,487,869
Total Comprehensive Income for the Year	**4,978,204**	**-**	**4,978,204**

Note 20 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 has advised that there is 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 distribution declared by GET of $2,427,373 at 30 June 2015 and an additional $901,929 owing for the 2015 distribution. 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 this 30 June 2015 financial accounts. The Gumala Foundation will 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 21 Events after the End of the Reporting Period

As part of rationalising ongoing operating costs, as of 1 September 2015 the administrative functions for GIPL were consolidated with the majority of those of Gumala Aboriginal Corporation to form a shared services team covering finance, governance, human resources and information technology for both entities. All of the shared services team are employed through GIPL. 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. Extensive consultation with staff achieved a Board approved Shared Services Charter to support the model and provide a framework for continuous improvement.

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

Other than noted in the preceding paragraphs, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in future financial years.

Note 22 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:

Ground Floor, 165 Adelaide Terrace,
East Perth WA 6004

As at 30 June 2015, Gumala Investments Pty Ltd had 7 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 18 to 54 present fairly the Trust's financial position as at 30 June 2015 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: CHayward

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

Dated this 24th day of November 2015

INDEPENDENT'S AUDITORS REPORT

Grant Thornton

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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 2015, 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.

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 2015 and of its performance for the year ended on that date; and

ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 24 November 2015

The Gumala Trust

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