THE GUMALA TRUST

a safe pair of hands

Annual Report 2018-19

Front and back cover image courtesy of Scott Godley
and image this page by John Raftis.

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MESSAGE FROM THE CHAIRPERSON

Brendon Grylls - Independent Director

NEW FOCUS

After two years of consolidation off the back of dramatically falling revenues requiring the suspension of programs in 2014/15, the Gumala Foundation now finds itself in a strong position to focus on the priorities of Members as they have voiced to Gumala Investments Pty Ltd (GIPL) at consultation meetings over the past 24 months.

On behalf of the GIPL Board, I welcome the opportunity to present the 2018/19 Annual Report. The membership has been clear to all GIPL Board members that as well as maintaining and growing the future fund, we need to be more focused on looking after Beneficiaries, especially Elders as a priority, and that we need to deliver better outcomes in housing and aged care.

GIPL has acted on these requests by applying to the North-West Aboriginal Housing Fund EOI for grant funding to underpin housing and aged care investments and by our recent advertising to secure a Social Impact Investment Manager to join the GIPL team.

We have also made existing GIPL owned housing available for purchase and have transferred ownership of two properties to Members, with others currently in the process. Foundation Members will see increased activity in this priority area over the coming 12 months.

GENERAL GUMALA FOUNDATION 5-YEAR REVIEW

The commissioning and delivery of the General Gumala Foundation (GGF) 5-Year Review was a key achievement of the past year. Your Board decided to invest in the review as not only a report card on the past five years, but we also asked our independent consultants to dig deeper into the concerns and priorities of Members in face-to-face meetings across the state.

It was my pleasure as chairperson to attend many of these meetings, and Members were forthright in their opinions and feedback. Your Board thanks Members for taking the time to attend those meetings and having your thoughts and opinions recorded.

Organisational change can and will be prioritised by the GIPL Board as a result of these consultation meetings, and some of the changes requested have already been or started to be implemented. The language around the Board table now strongly reflects what we have heard from Members, and we will work hard to ensure that our decisions and actions reflect the feedback from Members.

Thank you to Rick Brooks and his team from Alinio Consultants who conducted the review and for all the travelling and face-to-face consultations they held. Thank you also to IPS Management Consultants who facilitated the joint review and strategy meeting between GAC, GIPL and GEPL.

The final part of the 5-Year Review process will happen at the AGM. IPS and GIPL will facilitate an information session on the Foundation — its structures, roles and responsibilities — as well as a session focusing on the review, its recommendations, and ensuring that Members align with the priority actions for 2020 and beyond as set by the Foundation Board members at the joint strategy meeting held in June. *(Pictured over.)*

YLUA VOLATILITY

As with last year's AGM report, volatility in YLUA payments continues to challenge the Foundation. Financial year 18/19 has seen record revenues delivered to the Foundation. This is a good challenge for the Foundation to have but it puts the GIPL and GAC teams under pressure to meet the Trust Deed requirement of delivering 60% of Available Income to Members via programs.

When our revenues spike to 350% of budget predictions, we cannot have systems in place to deal with the Trust requirements without carrying potentially excessive staffing costs, and if we did increase program funding to meet this revenue, we may then have to dramatically scale it back the following year if revenues drop, which again is very challenging.

Members can be assured that we are looking at all possible options to manage this and GIPL commends the work done by GAC, especially with flexible program delivery, to ensure Members can benefit from this extra revenue flowing to the Foundation.

The GIPL Board has also requested GAC to prioritise a housing program as an additional response to this year's increased YLUA payments and Members requests.

As GIPL Chair, I repeat the call of almost every GIPL Chair to Rio Tinto senior management to provide more clarity around expected YLUA payments so the Foundation can better support our Members and Beneficiaries. It seems ridiculous to me that the years of planning and approvals that RTIO needs to achieve to undertake the land disturbance at Yandicoogina that results in YLUA payments to Gumala cannot be confidentially shared with GIPL to allow us to properly plan and budget our operations.

INVESTMENTS

Land use payments from RTIO totalled $36.6 million dollars in 2018/19, $29 million more than GIPL budgeted for. Investment revenue delivered $5.6 million and rental incomes $0.64 million for a total investment revenue of $42.90 million dollars as compared to our budgeted income of $12 million.

Total GIPL operating costs were $2 million dollars, which includes the day-to-day operating costs of GIPL of $1.2 million and investment management costs of $0.8 million. The GIPL Board expresses our thanks to Executive Officer John Raftis and his staff for their focus and diligence on Foundation priorities.

The workload increased this year due to the 5-Year Review taking place and we look forward to welcoming the new Social Impact Investment Manager to the team to bolster our small office.

Total Assets at 30 June 2019 stood at $146 million dollars, well up from last year's $112 million due to the unusually large YLUA payments. This 30% increase in total assets has the Foundation well placed to deliver on the priorities identified in the 5-Year Foundation Review consultations.

Our fund managers have reported a likely softening of the investment cycle for 2019/20 and a move to more defensive equities to protect Member assets. Recent market movements and worldwide volatility has justified that strategy. Pilbara property looks likely to continue to grow in the construction cycle, and while we are yet to see that growth in the city assets, we would expect the strong upswing in mining investment to underpin all of our property portfolio.

The Gumala Foundation Future Fund finished the financial year at $115 million, an increase of 17% on last year, and an excellent legacy created by the original signatories of the Yandicoogina YLUA for future generations of the Gumala family.

PROGRAMS

GIPL has been very impressed by the GAC programs team and congratulates Justin Dhu for his leadership in this critical area of the Foundation. We have implemented regular briefings from the GAC programs team at our Board meetings which helps deliver a better understanding of the challenges and opportunities.

The flexible program continues to be well supported and we can use it to a degree to allow Members to better access program funding. The flexible program allowance will be increased to $4,000 to reflect the strong YLUA revenues for 2018/19 with the potential for a further increase. $22.3 million dollars was allocated to Member programs in 2018/19 and when added to unallocated revenues from 2017/18 that were rolled over into this financial year, and factoring in 2019/19 program expenditure, we now have $28.5 million allocated to program funding.

This is a direct outcome of the volatility in YLUA payments and cannot be avoided without RTIO forecasting being made available to GIPL. It does, however, allow us to consider how we can address the housing needs of our Beneficiaries, especially aged care for Elders, and this will be a focus for the coming financial year.

NEW MEMBER PROGRAMS

Flexible Program for Members	$8,000,000
Funeral Program	$1,500,000
Christmas Gift Cards Program	$772,000
Education Programs (Kindy - Year 12)	$452,500
Tertiary Program	$330,000
Jundara Make Safe	$263,149
Donga Relocation for Communities	$218,776
Community Project Pool	$200,000

OUR TEAM

Can I congratulate John Raftis, Hima Nyapathi, Sarisa Htay and Vicki Sly for their work this year and their focus on delivering outcomes for Gumala Foundation Members. The Board thanks them for their efforts. The Board would also like to acknowledge and thank outgoing Directors Dennis Long and Gavin MacLean for their years of service to the Trust. We would also like to acknowledge the contribution of our new Bunjima Director Helen Smith and Nyiyaparli Director Bradley Hall who have injected new focus and energy around the boardroom.

THE FUTURE

The future looks bright for the Gumala family. Record revenues give the GAC programs team the ability to deliver more benefits for Members and to focus on housing and aged care in 2019/20.

The Foundation's three entities continue to work well together as evidenced by the quality outcomes of the June 2019 Joint Entity Strategy meeting, and the recommendations of the Foundation 5-Year Review give us all a member-centric focus to act on and deliver.

Strong investment and growth in the Pilbara bode well for 2020 and the GIPL Board looks forward to continuing to work hard and achieve results on behalf of the Bunjima, Yinhawangka and Nyiyaparli people.

Brendon Grylls
Chairperson, GIPL Board

Above: Directors and staff from GAC, GIPL and GEPL met in June 2019 to discuss the development of a joint strategy, taking into account Member feedback from the General Gumala Foundation 5-Year Review.

Left: GIPL staff members EO John Raftis, Finance Officer Sarisa Htay and Office Manager Hima Nyapathi.

Below: GIPL Directors at the 2018 Annual General Meeting which was held in South Hedland in October.

BOARD OF DIRECTORS

IRINA CATTALINI

INDEPENDENT DIRECTOR
Committees: Audit & Risk; Investments

Irina is a highly driven and energetic executive with over fifteen years of experience in community and public services. She is highly regarded in Australia and abroad for her strategic thinking, exceptional management skills and personal integrity.

Irina is an accomplished leader of change, with a talent for translating complex policy analysis with clarity and strategic influence, resulting in positive and high-impact outcomes.

Prior to her current role as Executive Director at One Tree Community Services, Irina was CEO of the WA Council of Social Service, the State's leading community service peak body. Irina has served as Vice President of the Australian Conservation Foundation and is a founding Board member of Reconciliation WA.

Irina has a Bachelor of Arts (Pol Sci) with Honours in International Relations. She also has a Diploma of Business and is an Alumni of Leadership WA. She has been awarded as one of WA Business News 40 under 40, the winner of IPAA's Non-Profit Leader of the Year and UWA's Strategic Alliance Award.

BRENDON GRYLLS

CHAIR, INDEPENDENT DIRECTOR
Committees: Audit & Risk (Proxy); Investments

Brendon brings a wealth of regional development and North West experience to the Gumala Foundation team. A background in small business, farming and manufacturing preceded a 16-year term in state parliament and he maintains an ongoing focus on Indigenous policy and programs.

He is well known for his advocacy of regional issues, his commitment to expanding Indigenous opportunities, the Royalties for Regions program and his leadership of the Nationals WA during the eight year Liberal/National Government.

Brendon has developed and delivered a host of new infrastructure and service programs across the North West, and has been a strong advocate for Indigenous business development in the region. Projects such as Pilbara Cities, Ord Stage 2 and the Transitional Housing Program have included substantial policy reform initiatives to assist the Indigenous community.

As Chair of the Gumala Foundation, he looks forward to working closely with the traditional owners of the Yinhawangka, Bunjima and Nyiyaparli language groups to honour the objectives of the trust deed.

BRADLEY HALL

NYIYAPARLI DIRECTOR
Committees: Applications Review; Investments

Bradley is a Nyiyayparli man who grew up in Marble Bar and Yandeyarra Community with a passion for getting more community driven programs and projects off the ground and helping out the mob where he can.

Bradley learnt from a young age that business and enterprise were effective ways to accelerate social change and has spent the last decade setting up and sustaining businesses that now make a positive impact on Nyiyaparli Country.

Bradley owns and manages a diverse group of companies – Coongan Training Pty Ltd, Wilypa Pty Ltd, Red Country Management Pty Ltd and Nana D Technologies Pty Ltd – that all work to preserve and promote Nyiyaparli culture.

Before starting his companies, Bradley worked on stations and in the resources industry for fifteen years. He has also held various Aboriginal corporation directorships over the past eight years and has had experience working at CEO and Managing Director levels within those corporations. Bradley is currently the Chairperson of Karlka Nyiyaparli Aboriginal Corporation and a Board Member for Gumala Investments Pty Ltd.

In his spare time, Brad enjoys spending time with his family and is often seen touring around Australia with his band playing good old country music!

BOARD OF DIRECTORS

IAN MCPHERSON

INDEPENDENT DIRECTOR
Committees: Investments (Chair)

Ian is a graduate of the University of WA with post graduate qualifications in financial planning, and has worked with Australia's leading banking, investment managers and financial services institutions.

He has specialised in advising, consulting, planning, supervising and managing short and long-term investment funds for the last 25 years, starting with the billion dollar Queensland electricity industry employees superfund. He held the role of the investment specialist independent Director of the MG Community Foundation, Kununurra, between 2011 and 2015.

He brings to the role experience in every investment cycle and skills in managing the external investment managers to maximise the returns for the short, medium and long-term benefit of the Gumala People.

HELEN SMITH

BUNJIMA DIRECTOR
Committees: Applications Review; Audit & Risk; Investments

Helen is from the Pilbara. She worked as a primary school teacher for several years and was one of the founding members of Gumala Aboriginal Corporation (GAC) when it was established following the successful negotiation of the Yandi Land Use Agreement (YLUA) in 1997.

She became an inaugural Bunjima representative Director on the Board of GAC and worked hard to assist with the development of Gumala's first office in Tom Price and the organisation of many community meetings, several of which took place on country. Her commitment to managing governance aligned with culture grew with the long journey she has been on in the last 20 years of working within the frameworks of committees and boards, including being an inaugural Director of IBN Corporation Pty Ltd when it was established in 2001.

Helen brings to the role as a GIPL Director, extensive mainstream knowledge and experience as well as cultural knowledge and sensitivity in working with the Yinhawangka, Nyiyaparli and Bunjima people and within the structures for which they came together to form and grow. She understands the challenges of managing trusts and believes in delivering appropriate and effective services in meeting the objects of the Foundation to alleviate the stress and poverty and to make a positive difference for the Beneficiaries.

ROY TOMMY

YINHAWANGKA DIRECTOR
Committees: Applications Review; Audit & Risk; Investments

Roy (Pitithangu, meaning dry leaf) grew up on Mininer, Mount Vernon and Pingandy pastoral stations. His Yinhawangka name was given to him in traditional song by his grandmother, Maggie Bimba. His mother was the last fluent speaker of Yinhawangka, and in 1980 commenced recording the language, songs, stories, genealogy, birth and burial places, and the names of Yinhawangka lands.

He was a Yinhawangka representative on the YLUA negotiating team, one of the founding 25 members of Gumala Aboriginal Corporation, one of its inaugural Governing Committee Members, and has served on the boards of Gumala Aboriginal Corporation and Gumala Enterprises Pty Ltd on a number of occasions.

Pitithangu is currently working on a project for the preservation of Yinhawangka with assistance from Wangka Maya Language Centre, IBN Corporation, the Yinhawangka Trust and the Resource Network for Linguistic Diversity.

Image courtesy of Scott Godley.

GUMALA INVESTMENTS PTY LTD AS TRUSTEE FOR THE GENERAL GUMALA FOUNDATION

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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TRUSTEE INFORMATION
ABN 50 336 714 927

DIRECTORS
Brendon Grylls (Chair)
Irina Cattalini
Bradley Hall
Ian McPherson
Helen Smith
Roy Tommy

COMPANY SECRETARY
John Raftis

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DIRECTORS' REPORT

The Directors of the Trustee company, Gumala Investments Pty Ltd (GIPL), present their report on the operations of the General Gumala Foundation Trust (GGF) for the financial year ended 30 June 2019.

DIRECTORS

The Directors of GIPL in office during the year were:

	SUMMARY OF DIRECTOR'S TERM		SUMMARY OF BOARD ATTENDANCE	
	TERM OF OFFICE	POSITION ON GIPL BOARD	NUMBER OF MEETINGS ELIGIBLE TO ATTEND	NUMBER OF MEETINGS ATTENDED
BUNJIMA				
Gavin MacLean	1 July 18 – 22 Oct 18	Director	1	1
Helen Smith	6 Nov 18 – 30 June 19	Director	5	5
YINHAWANGKA				
Roy Tommy	1 July 18 – 22 Oct 18	Director	1	1
Roy Tommy	6 Nov 18 – 30 June 19	Director	5	5
NYIYAPARLI				
Dennis Long	1 July 18 – 22 Oct 18	Director	1	1
Bradley Hall	6 Nov 18 – 30 June 19	Director	5	2
INDEPENDENTS				
Brendon Grylls	1 July 18 – 30 June 19	Chairperson**	6	6
Irina Cattalini	1 July 18 – 30 June 19	Director	6	6
Ian McPherson	1 July 18 – 30 June 19	Director	6	6

** Mr Grylls was elected Chairperson as of 23 June 2017.
Note: During the financial year there were six GIPL Board meetings.

DIRECTORS' REMUNERATION

During the year the Directors of the Trustee company were entitled to the following remuneration for their services as Directors:

NAME	REMUNERATION ($)	ALLOWANCE ($)	SUPERANNUATION ($)	TOTAL ($)	TERM OF OFFICE DURING FINANCIAL YEAR
Brendon Grylls	76,000	720	7,220	83,940	1 July 2018 – 30 June 2019
Irina Cattalini	40,000	720	3,800	44,520	1 July 2018 – 30 June 2019
Bradley Hall	26,111	470	2,481	29,062	6 Nov 2018 – 30 June 2019
Dennis Long	12,366	240	1,175	13,781	1 July 2018 – 22 Oct 2018
Gavin MacLean	12,366	240	1,175	13,781	1 July 2018 – 22 Oct 2018
Ian McPherson	40,000	720	3,800	44,520	1 July 2018 – 30 June 2019
Helen Smith	26,111	470	2,481	29,062	6 Nov 2018 – 30 June 2019
Roy Tommy	38,579	711	3,665	42,955	1 July 2018 – 22 Oct 2018
					6 Nov 2018 – 30 June 2019
TOTAL	271,533	4,291	25,797	301,621	

Note 1: The Directors did not accept any performance bonus or any other incentives.
Note 2: The table refers to actual remuneration entitlements and does not include costs incurred by GIPL for travel related expenses.

REVIEW OF OPERATIONS

The operating revenue for the Foundation increased to $42,904,557 from $14,993,610 in 2019 due to Yandi Land Use Agreement ("YLUA") income increasing to $36,625,298 (an increase of $26,725,566 from 2018). This included a payment of $17,343,856 (47% of full year total) for the June 2019 quarter. Investment and Rental Income also increased to $6,279,259 (an increase of $1,185,381 from 2018).

This increase in investment revenue, along with the benefits from the ongoing cost management commenced back in FY2015, has resulted in the Foundation investment revenue fully funding the operating costs of the Foundation entities (Gumala Investments Pty Ltd "GIPL" and Gumala Aboriginal Corporation "GAC"), allowing all YLUA funds to be directed into investments and Member programs. The Trust's financial performance for 2019 has enabled the provision of $22,343,602 for funding of Member programs (2018: $5,780,750).

The total comprehensive net surplus for the 2019 financial year is $16,616,347 after factoring in the allocation of Member program funding. (2018: Surplus of $7,946,341). In terms of operating cash flow, the Trust generated a positive $17,084,728 in 2019 (2018: $3,388,677).

Please refer to the audited financial report from Page 19 for details on the financial performance and results for the financial year.

KEY HIGHLIGHTS

The 2019 financial year saw the largest YLUA income receipt since the 2013 financial year, along with a continuation of the growth in investment revenues whilst costs were being controlled. Funds allocated to run the administrative functions of Gumala Investments ("GIPL") and Gumala Aboriginal Corporation ("GAC") were reduced to $4.51M from $4.60M in 2018.

Yandi Land Use Agreement compensation increased by 270% in 2019 to $36.63M (FY2018: $9.90M). With the land use payment calculation dominated by the area of land disturbed, not by volume of ore removed from the ground, the income will rise and fall in line with mine expansion as opposed to mine production. Mine expansion work was conducted in 2018/19 and resulted in the increased YLUA payments received.

Investment holdings increased to $123.25M as at 30 June 2019, which is an increase of $16.49M on the previous figure of $106.77M as at 30 June 2018. The Trustee Company's liabilities total $31.04M, which includes $28.54M for the funding of future Member programs and $0.89M for the funding of GAC for the June 2019 quarter.

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

	30 JUNE 2019	30 JUNE 2018
Cash and cash equivalents	17,638,271	9,584,587
Investment properties	11,517,500	12,905,000
Financial assets	94,096,211	84,275,936
Total Investments	**123,251,982**	**106,765,523**

CASH POSITION

The cash position of the Trust has increased by $8.05M in 2019 whilst at the same time the Foundation invested $7.98M to increase its holdings in financial investment assets and obtain better rates of return than bank interest. Operating cash flow generated a positive $17.08M to contribute the funds that were added to the cash and investment holdings.

INVESTMENT PROPERTY

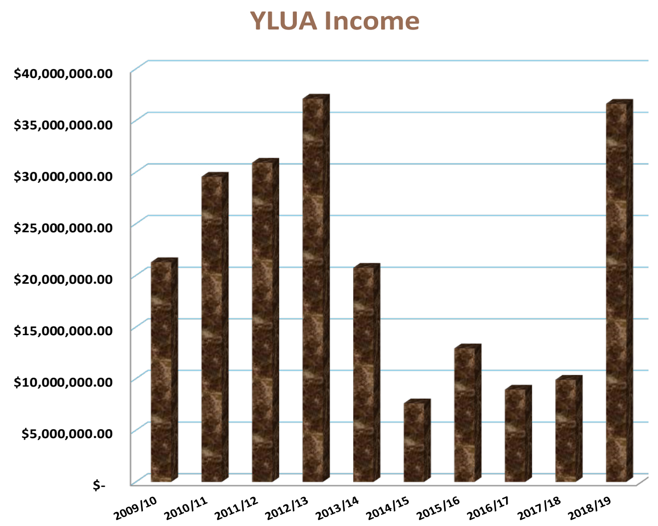
The positive signs for the Pilbara economy from new investments in mines has resulted in property prices in the region continuing to stabilise with little movement in values from 2018 to 2019. The rental market has steadily improved with the majority of houses leased and generating rental income, and rental incomes showing signs of increasing in the second half of the year. Office properties in the Perth CBD continue to be impacted due to high levels of vacancy and as a result the commercial building values decreased. The Trustee is actively seeking tenants for the remaining vacant space within the building at 165 Adelaide Terrace however upgrades of facilities within the building are required in order to compete with other properties available for rent.

The Foundation has an accounting policy of performing formal valuations for investment properties at least once every three years and, given the ongoing uncertain state of the real estate market in 2019, the Foundation has had the values of its commercial and residential investment properties formally valued independently again. Following this valuation, the Foundation recognised a net reduction in the fair value of $1.05M for the investment properties portfolio (2018: Reduction in value of $0.34M).

TRADE AND RECEIVABLES

The current trade and receivables position of the Trust has increased by $17.31M. Trade and receivables includes the accrued income, with the primary component being the amount earned from the YLUA for the final three months of the year. Other accrued income includes the amount for dividends and distributions from investments that are declared prior to 30 June but paid in the new financial year.

REVENUES



Revenue from the Yandi Land Use Agreement increased by 270% in 2019 to $36.63M from $9.90M in 2018, with income fluctuating between $3.7M and $17.3M for any quarter, and the higher figure applying in the final quarter of the year. This revenue is the highest since 2013 ($37.12M) and follows four years of YLUA revenue averaging $9.85M per year.

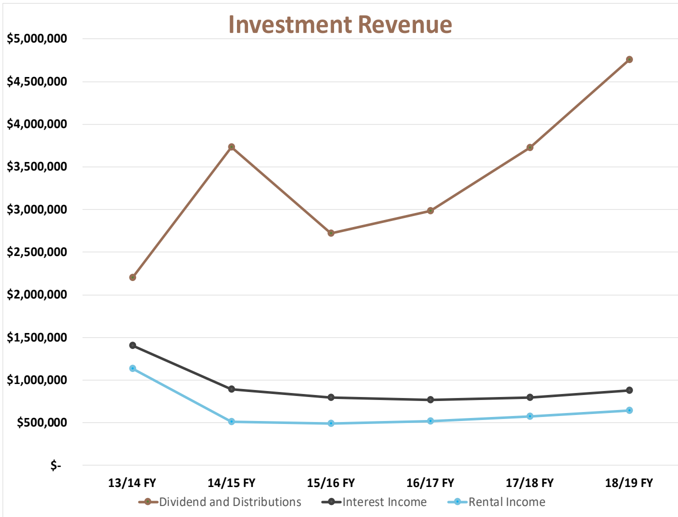
Dividend and distribution revenues increased due to the increase of additional funds into financial market investments during FY2018 and FY2019 to generate higher returns on Trust assets. The FY2019 returns of $4.76M were up 28% from the $3.72M earned in FY2018.

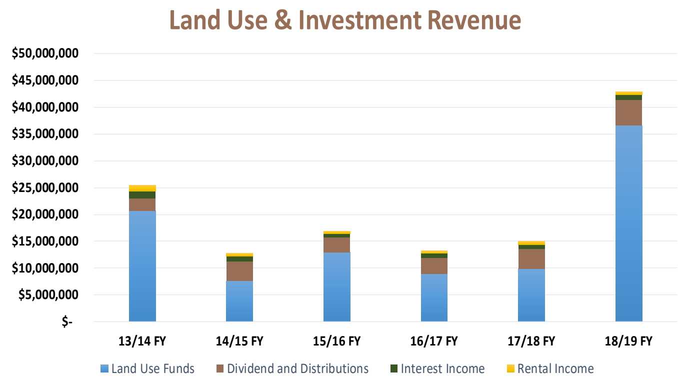
Interest Income was up 10%, again due to increased funds invested into both the bond portfolio and term deposits and despite the drop in interest rates occurring during 2019. Interest income for FY2019 was $881K, up from the $797K earned in FY2018.

The tenanting out of the residential properties in 2019 remained solid, however, there were short periods where a small number of properties were vacant and one of the Tom Price properties was sold.

In the second half of the year rental prices started to increase due to demand from businesses seeking staff accommodation, particularly in Tom Price.

Overall the rent from residential properties in FY2019 increased marginally to $519K from $512K in FY2018. Commercial rent increased by $59K due to the effect of a full year of rental from the tenant that commenced in 2018. Rental rates for office space in older buildings continues to stagnate due to competition to attract new tenants.





ADMINISTRATION COSTS

GIPL maintained its employee benefits costs at a steady level (FY2019: 632K and FY2018: 630K) and increased the management and administration expenses primarily as a result of the costs of the 5-Year Foundation Review, including consultant costs and Member payments for attendance (FY2019: 847K and FY2018: 671K).

Investment property expenses were reduced over the year (FY2019: 507K and FY2018: 565K). Savings continue to be sought through the ongoing review of operational costs and supplier contracts to seek the most efficient use of Trust funds.

PAYMENTS TO GAC

The GIPL Board congratulates the efforts of GAC and both Jahna Cedar and Justin Dhu, who served as GAC Executive Officer in FY2019, for managing its resources well and reducing its operating costs to $3.37M in FY2019 from $3.59M in FY2018.

The ongoing costs controls across both entities allow the increased revenues enjoyed in years such as FY2019 to be directed into benefits for the Members and Beneficiaries. Funds to be made available for Member benefits from 2019 total $22.34M (2018: $5.78M), with an accumulated total of $28.54M (2018: $12.52M) being carried forward and made available for Member programs budgeted for FY2020 and future years.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

BOARD AND STAFF CHANGES

In October 2018 the terms of the Traditional Owner Directors ended and GAC, as the Manager, sought expressions of interests for the roles. Following interviews, two new Traditional Owner Directors in Mrs Helen Smith and Mr Bradley Hall were appointed, and Mr Roy Tommy was reappointed.

The terms of the appointments were for 5, 4 and 3 years in order to allow future appointments to be staggered and provide opportunity to allow time for transfer of knowledge to future new Directors. There have been no changes to Independent Directors in 2019.

Mr John Raftis continued in his role as Executive Officer for the Trust following his appointment in February 2018.

PRINCIPAL ACTIVITIES

The principal activities of the General Gumala Foundation (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

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 of the Trust or the state of affairs of the Trust in future financial years.

FUTURE DEVELOPMENTS

In the new financial year the Trustee will complete a review of the Traditional Owner Register as part of the requirements of the Trust Deed. GIPL will continue to review all income into the Foundation while looking to diversify income streams to grow the Future Fund. As Trustee, GIPL is also mindful of the need to provide monies to fund projects and programs that fall within approved Income Utilisation Categories.

The GIPL Board continues to look to further enhance the opportunity to work with GAC to achieve greater self-determination and cost efficiencies for the Foundation. GIPL supports GAC’s strategic approach to foster partnerships with specialist providers to assist the Foundation in service delivery of programs to achieve specific outcomes across the spectrum of approved Income Utilisation Categories.

RISK MANAGEMENT

ENVIRONMENTAL RISK MANAGEMENT

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

INTERNAL RISKS

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

FUNDING RISK

The amount of compensation received from Rio Tinto under the terms of the Yandi Land Use Agreement for the benefit of the Traditional Owners increased in 2019 to be back at levels last seen in 2013 and highlights the volatility of the YLUA income and the challenge faced by GIPL and GAC with budgeting operations and programs. For the Foundation to better manage the risk from income fluctuations the Foundation has implemented an arrears-based program funding arrangement for GAC, which includes all Member programs being funded from Foundation available income determined in prior years. The Foundation is aware of the importance of continually monitoring administrative costs to ensure the maximum amount of funds is made available for Member programs.

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 2018/19 the following Committees were operational:

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

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

FOUNDATION INVESTMENTS COMMITTEE

The Investments Committee was established in 2012 to fulfil obligations by The Trustee to consult with The Manager in relation to Investments, as reflected in Clause 8 of the Trust Deed.

A primary responsibility of the Foundation Investments Committee is to review the GGF policies relating to the execution of the 'Utilisation of Income' of the Trust, as well as making recommendations to the GIPL Board on matters concerning the implementation of these policies and on matters concerning implementation of the Trustee's endorsed investment strategy. The Investments Committee is an advisory committee to the Board.

FOUNDATION AUDIT AND RISK COMMITTEE

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

FOUNDATION APPLICATIONS REVIEW COMMITTEE

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

The major responsibilities of the Committee are to:

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

	Foundation Investments Committee		Foundation Audit & Risk Committee		Foundation Applications Review Committee	
	Number of Meetings Eligible to Attend	Number of Meetings Attended	Number of Meetings Eligible to Attend	Number of Meetings Attended	Number of Meetings Eligible to Attend	Number of Meetings Attended
BUNJIMA						
Gavin MacLean	-	-	-	-	-	-
Helen Smith	1	1	1	1	2	2
YINHAWANGKA						
Roy Tommy	1	1	1	1	2	0
NYIYAPARLI						
Dennis Long	-	-	-	-	-	-
Bradley Hall	1	1	-	-	2	2
INDEPENDENTS						
Brendon Grylls	1	1	-	-	-	-
Irina Cattalini	1	1	1	0	-	-
Ian McPherson	1	1	-	-	-	-

COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

	YEAR ENDED 30 JUNE 2019	YEAR ENDED 30 JUNE 2018
Directors	301,621	306,750
Key Management Personnel	186,150	186,150
Total	**487,771**	**492,900**

KEY MANAGEMENT PERSONNEL

Key management personnel of The General Gumala Foundation consist of the following:
John Raftis, GIPL Executive Officer.

Note: Mr Raftis was appointed as Executive Officer in February 2018 following his appointment as Acting Executive in April 2017.

REMUNERATION BANDS

REMUNERATION BAND ($)	2018/19	2017/18
0 – 50K	-	-
50 – 100K	-	-
100 – 150K	-	-
150 – 200K	1	1
200 – 250K	-	-
250 – 300K	-	-

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 2018 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 made pursuant to s298(2) of the Corporations Act 2001:

On behalf of the Board of Directors:

Director: ______________________

Chairperson – Brendon Grylls

Dated this 29th day of August 2019

AUDITOR'S INDEPENDENCE DECLARATION

Bentleys
THINKING AHEAD

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the audit of the financial statements of Gumala Investments Pty Ltd as Trustee for the General Gumala Foundation for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS **Chartered Accountants**	**CHRIS NICOLOFF CA** **Partner**

Dated at Perth this 29th day of August 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	30 June 2019 ($)	30 June 2018 ($)
REVENUE			
Land Use Funds	2(a)	36,625,298	9,899,732
Investment Income	2(a)	5,638,159	4,519,309
Rental Income	2(a)	641,100	574,569
Total Revenue		**42,904,557**	**14,993,610**
OTHER INCOME			
Profit on sale of property, plant & equipment		-	160
Fair value gain on disposal of financial assets		-	788,223
Other Income		37,289	103,707
Total Other Income		**37,289**	**892,090**
Total Revenue and Other Income		**42,941,846**	**15,885,700**
EXPENDITURE			
Impairment of financial assets	8	-	1,205,778
Employee benefits expense	2(b)	632,272	629,838
Management & administration expenses	2(c)	846,594	670,996
Investment property expenses and outgoings		506,731	565,365
Depreciation expense	5	11,419	25,001
Amortisation expense	6	3,881	-
Impairment of property, plant and equipment	5	-	70,000
Loss on disposal of property, plant and equipment		12,239	-
Impairment of investment properties	7	1,047,500	337,500
Loss on disposal of investment properties		30,000	-
Manager operating costs	2(d)	3,374,311	3,591,584
Member benefit grant funding costs	2(e)	22,343,602	5,780,750
Total Expenditure		**28,808,549**	**12,876,812**
INCOME (DEFICIT) FOR THE YEAR		**14,133,297**	**3,008,888**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Net unrealised gain /(loss) on financial assets	8	2,358,474	5,586,147
Net realised (gain)/loss from previous unrealised gain/(loss) on financial assets		(65,413)	(648,694)
Net realised gain /(loss) on financial assets		189,989	-
Total Other Comprehensive Income		**2,483,050**	**4,937,453**
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**16,616,347**	**7,946,341**

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 2019

	Note	30 JUNE 2019 ($)	30 June 2018 ($)
ASSETS			
Current Assets			
Cash and cash equivalents	3	17,638,271	9,584,587
Trade and other receivables	4	21,789,007	4,483,309
Total Current Assets		**39,427,278**	**14,067,896**
Non-Current Assets			
Trade and other receivables	4	850,179	300,459
Property, plant and equipment	5	6,555	162,596
Intangible assets	6	335,503	-
Investment properties	7	11,517,500	12,905,000
Financial assets	8	94,096,211	84,275,936
Total Non-Current Assets		**106,805,948**	**97,643,991**
TOTAL ASSETS		**146,233,226**	**111,711,887**
LIABILITIES			
Current liabilities			
Trade and other payables	9	30,982,993	13,092,646
Provisions	10	49,789	38,563
Total Current Liabilities		**31,032,782**	**13,131,209**
Non-Current Liabilities			
Provisions	10	5,381	1,962
Total Non-Current Liabilities		**5,381**	**1,962**
TOTAL LIABILITIES		**31,038,163**	**13,133,171**
NET ASSETS		**115,195,063**	**98,578,716**
FUNDS			
Member funds		**104,702,455**	86,370,597
Asset revaluation reserve	11	-	-
Financial assets reserve	11	10,492,608	12,208,119
TOTAL FUNDS		**115,195,063**	**98,578,716**

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 2019

	Note	Member Funds ($)	Asset Revaluation Reserve ($)	Financial Assets Reserve ($)	Total ($)
30 JUNE 2018 FINANCIAL YEAR					
Balance at 1 July 2017		**83,361,709**	**-**	**7,270,666**	**90,632,375**
Net Income		3,008,888	-	-	3,008,888
Other comprehensive income		-	-	4,937,453	4,937,453
Total comprehensive income for the year		**3,008,888**	**-**	**4,937,453**	**7,946,341**
BALANCE AT 30 JUNE 2018		**86,370,597**	**-**	**12,208,119**	**98,578,716**
30 JUNE 2019 FINANCIAL YEAR					
Balance at 1 July 2018		**86,370,597**	-	**12,208,119**	**98,578,716**
Reclassify equity investments from retained earnings to Fair Value through Other Comprehensive Income (FVOCI) on initial adoption of AASB 9	1(b)	4,008,572		(4,008,572)	-
Restated Balance as at 1 July 2018		**90,379,169**		**8,199,547**	**98,578,716**
Net income		14,133,297	-	-	14,133,297
Other comprehensive income		-	-	2,483,050	2,483,050
Transfer from Financial Assets Reserve on disposal		189,989	-	(189,989)	-
Total comprehensive income for the year		**14,323,286**	**-**	**2,293,061**	**16,616,347**
BALANCE AT 30 JUNE 2019		**104,702,455**	**-**	**10,492,608**	**115,195,063**

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 2019

	Note	30 June 2019 ($)	30 June 2018 ($)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from:			
Land use YLUA funds		21,892,732	7,488,797
Dividend income		4,232,646	3,395,119
Interest income		844,183	865,212
Rental income		653,450	596,949
Other Income		37,288	103,707
Payments to suppliers and employees		(1,309,333)	(1,941,527)
Payment for grant funding of Member benefits		(9,266,238)	(7,119,580)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	**12**	**17,084,728**	**3,388,677**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		135,600	160
Purchase of property, plant and equipment & software		(193,246)	(3,872)
Purchase of financial assets		(22,025,648)	(20,184,609)
Proceeds from sale of investment property		310,000	-
Proceeds from disposal of financial investments		14,041,969	16,097,827
NET CASH USED IN INVESTING ACTIVITIES		**(7,731,325)**	**(4,090,494)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of GHOS loans		281	727
Provision of loan to GET		(1,500,000)	-
Repayment of GET loan		200,000	200,000
NET CASH PROVIDED BY FINANCING ACTIVITIES		**(1,299,719)**	**200,727**
Net increase / (decrease) in cash held		8,053,684	(501,090)
Cash and cash equivalents at beginning of financial year		9,584,587	10,085,677
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**3**	**17,638,271**	**9,584,587**

There are no restrictions on any funds on deposit.
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 2019

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 Level 2, 165 Adelaide Terrace, East Perth, WA 6004.

The financial statements were authorised for issue on 29 August 2019 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 2019, 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 2018. The impact of the adoption of these standards is detailed below:

AASB 9 Financial Instruments

AASB 9 Financial Instruments and the related consequential amendments to other Accounting Standards are applicable to the Trust effective on 1 July 2018. AASB 9 introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities; and
- Impairment of other financial assets

The adoption of *AASB 9 Financial Instruments* has resulted in changes to accounting policies and adjustments to amounts recognised in the financial statements. It has been noted there have been no restatements of prior period comparatives as a result of the adoption of AASB 9. The accounting policies applicable to the Trust are set out below.

Equity Investments

The total impact on the Trust's Member Funds as at 1 July 2018 has been included in the Statement of Changes in Funds representing a transfer of previous impairment losses and realised gains to be presented in reserves of $4,008,572.

i) Classification and measurement

All recognised financial assets that are within the scope of *AASB 9 Financial Instruments* are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

On initial adoption at 1 July 2018, the Trust assessed the existing financial assets and concluded that the initial application of AASB 9 has had the following impact on the Trust's financial assets as regards to their classification and measurement:

- The Trust elected to present in Other Comprehensive Income (OCI) changes in the fair value of all its equity investments previously classified as available for sale on the basis of the long-term nature of the investments. As a result, there was a reclassification of the available-for -sale financial assets to equity investments at Fair Value through Other Comprehensive Income (FVOCI) resulting in the change as reflected in the

Statement of Changes in Funds from retained earnings to reserves as noted above.

ii) Impairment of financial assets

The Trust has reviewed its impairment methodology under AASB 9 for financial assets under the new expected credit loss model for all its assets held at amortised cost. There has been no change in the impairment impacts on the financial statements as a result of this change in methodology.

Other financial assets

From 1 July 2018, the Trust classifies its financial assets as either subsequently measured at fair value or amortised cost and the classification is determined by the Trust's business model for managing the financial assets and the contractual terms of the cash flows.

Impairment

The Trust measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses (ECL). Where the financial assets credit risk has not increased significantly since initial recognition, the Trust will measure the loss allowance based on 12-months ECL. A simplified approach is taken to accounting for trade and other receivables and records the loss allowance at the amount equal to the lifetime ECL. In applying this simplified method, the Trust uses its historical experience, external indicators and forward-looking information to calculate the ECL. There has been no material impact with respect of applying the methodology.

AASB 15 Revenue from Contracts with Customers

The Trust has adopted AASB 15 with a date of initial application of 1 July 2018. Based on the Director's assessment there was no impact on the Trust's existing revenue recognition policy arising from the adoption. The Trust has applied the AASB 15 cumulative effective method (i.e. by recognising the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of equity at 1 July 2018). Therefore, the comparative information has not been restated and continues to be reported under AASB 118: Revenue.

New Accounting Standards and Interpretations not yet mandatory or early adopted

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 16 Leases

AASB 16 introduces new requirements for the classification and measurement of operating leases. These requirements involve the recognition of a lease liability and a corresponding right-of-use asset for all lease arrangements.

The effective date for this standard is for annual reporting periods beginning on or after 1 January 2019. GIPL is yet to undertake a detailed assessment of the impact of AASB 16. 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 2020.

(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 right to the dividends payment is established. Distributions from GET are recognised when they are declared.

(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 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 at a minimum once every three 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.

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 in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at " fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial assets

Financial assets are subsequently measured at:

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

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

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

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

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

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

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

Financial liabilities

Financial liabilities are subsequently measured at:

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

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

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

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

Derecognition

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

Derecognition of financial assets

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

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

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

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

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

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

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

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

Impairment

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.
Loss allowance is not recognised for:

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

The Group uses the simplified approach to impairment, as applicable under AASB 9: Financial Instruments.

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

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and which do not contain a significant financing component; and
- lease receivables.

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

Recognition of expected credit losses in financial statements
At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income. The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period. For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(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 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 the area of land disturbance at the Yandi mine which can change significantly from period to period.

(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 $1,047,500 (2018: $337,500) has been recorded as impairment of investment properties in the statement of profit or loss and other comprehensive income. Refer to Note 7;
- A value of nil (2018: $70,000) has been recorded as impairment of property, plant and equipment due to the revaluation of the property, plant and equipment. Refer to Note 5.

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.

In the 2015 financial year, based on the financial position of the Gumala Enterprises Trust ("GET"), the Trust provided fully for a debt of $3,329,302 owing from distributions from GET. During the 2017 year, GET and the Trust finalised a repayment arrangement with $1,308,785 being forgiven, the 2015 distribution being amended from $901,929 to $28,262, and $450,000 being paid back in accordance with the agreed schedule.

Due to the demonstration of capacity to repay the debt, the Trust reversed the previously provided-for balance of $1,146,850 and the full remaining debt of $696,850 was recognised as fully recoverable. In 2018 and 2019 GET met their repayment obligations and the remaining debt of $296,850 is recognised as fully recoverable.

Note 2

(a) Revenue

	30 June 2019 ($)	30 June 2018 ($)
Land use funds	36,625,298	9,899,732
TOTAL LAND USE FUNDS	**36,625,298**	**9,899,732**

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

	30 June 2019 ($)	30 June 2018 ($)
Investment Income		
Dividend and distributions	4,757,387	3,722,534
Interest income	880,772	796,775
TOTAL INVESTMENT INCOME	**5,638,159**	**4,519,309**

The above relates to the return of income from term deposits and financial assets. Refer to Note 8.

	30 June 2019 ($)	30 June 2018 ($)
Rental Income		
Rental income – Tom Price and South Hedland houses	519,879	512,482
Rental income – 165 Adelaide Terrace	121,221	62,087
TOTAL RENTAL INCOME	**641,100**	**574,569**

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

	30 June 2019 ($)	30 June 2018 ($)
GET Distribution	-	-
DECLARED DISTRIBUTION FROM GUMALA ENTERPRISES TRUST	-	-

The above represents the profit distribution declared from the Gumala Enterprises Trust for the 2019 and 2018 financial years. There was no distribution for 2019 or 2018.

(b) Employee benefits expense

	30 June 2019 ($)	30 June 2018 ($)
Wages & Salaries	564,482	563,939
Superannuation	53,146	53,144
Employee benefit provisions	14,644	12,755
TOTAL EMPLOYEE BENEFITS EXPENSE	**632,272**	**629,838**

The ‘employee benefit provisions’ expense accounts for the increase/(decrease) in accrued annual and long service leave entitlements for employees during this period.

(c) Management and administration expenses

	30 June 2019 ($)	30 June 2018 ($)
Auditors	30,303	29,852
Investment adviser fees	326,916	294,537
Legal fees	16,473	9,983
Consultant fees - Administration	-	9,000
Other management and administration expenses	387,902	206,379
Member meeting expenses for travel and attendance	85,000	121,245
TOTAL MANAGEMENT & ADMIN EXPENSES	**846,594**	**670,996**

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

(d) Manager operating cost

	30 June 2019 ($)	30 June 2018 ($)
Manager operating costs	2,775,432	3,089,310
Manager payments to Members for meeting travel and attendance costs	598,879	502,274
TOTAL MANAGER OPERATING COSTS	**3,374,311**	**3,591,584**

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

(e) Member grant funding expenses

	30 June 2019 ($)	30 June 2018 ($)
Business Development Grants	50,048	34,238
Community Development Grants	1,443,387	524,078
Cultural Purposes Grants	578,889	741,819
Education & Training Grants	1,029,712	692,741
Health & Wellbeing Grants	2,614,117	619,213
Other Grant Funding	611,461	-
Unassigned Grant Funding	16,015,988	3,168,661
TOTAL MEMBER GRANT FUNDING EXPENSE	**22,343,602**	**5,780,750**

Grant funding expenses, requested by and paid to the Foundation Manager, Gumala Aboriginal Corporation, for the financial year, and unassigned grant funding as at 30 June 2019.

Note 3 Cash and Cash Equivalents

	30 June 2019 ($)	30 June 2018 ($)
Current		
Cash at bank	12,138,271	3,952,122
Short-term deposits with banks	5,500,000	5,632,465
TOTAL	**17,638,271**	**9,584,587**

Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposits are held with reputable financial institutions and earn interest at market rates.

Note 4 Trade and Other Receivables

	Note	30 June 2019 ($)	30 June 2018 ($)
Current			
Trade receivables		21,104	29,036
Distribution receivable from - GET	(a)	200,000	200,000
Loan receivable from - GET	(b)	750,000	-
Accrued income		18,840,070	3,297,922
Prepayments		124,034	114,026
Franking credits receivable		1,853,799	842,325
TOTAL		**21,789,007**	**4,483,309**
Non-Current			
Gumala Housing Scheme loans receivable		3,329	3,609
Distribution receivable from - GET	(a)	96,850	296,850
Loan receivable from - GET	(b)	750,000	-
TOTAL		**850,179**	**300,459**

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) In the 2015 financial year, based on the financial position of the Gumala Enterprises Trust ("GET"), the Trust provided fully for a debt of $3,329,302 owing from prior year profit distributions from GET. During the 2017 year, GET and the Trust finalised a repayment arrangement, with:

(i) $1,308,785 being forgiven and written off as non-recoverable,

(ii) the 2015 distribution being amended from $901,929 to $28,262, and

(iii) a repayment plan for the balance of $1,146,850 at $50,000 per quarter, with payments to be completed in 2020. Due to the demonstration of capacity to repay the debt in 2017, the Trust reversed the previously provided-for balance of $1,146,850 and the full remaining debt of $696,850 was recognised as fully recoverable.

In 2018 and 2019 year GET met its annual repayment obligations of $200,000 and the balance remaining is $296,850.

(b) In 2019 the Trust provided a loan of $1,500,000 to GET to allow it to provide a security bond on a civil works contract. There is interest applicable of 7.5% with quarterly interest-only payments. Principal payments of $750,000 are due in November 2019 and November 2020. The debt is secured against the assets of GET.

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 2019 ($)	30 June 2018 ($)
Land and buildings	-	140,000
Office equipment	81,492	110,571
Accumulated depreciation	(74,937)	(87,975)
TOTAL	**6,555**	**162,596**

(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 & Buildings ($)	Office Equipment ($)	Total ($)
Balance at 1 July 2017	210,000	43,726	253,726
Additions	-	4,952	4,952
Revaluation decrease through Impairment expense*	(70,000)	-	(70,000)
Office equipment sold	-	(1,081)	(1,081)
Depreciation expense	-	(25,001)	(25,001)
CARRYING AMOUNT AT 30 JUNE 2018	**140,000**	**22,596**	**162,596**
Additions	-	3,217	3,217
Land and building sold	(140,000)	-	(140,000)
Office equipment sold	-	(7,839)	(7,839)
Depreciation expense	-	(11,419)	(11,419)
CARRYING AMOUNT AT 30 JUNE 2019	-	**6,555**	**6,555**

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

* The revaluation of the Limpet Crescent property in FY2018 has resulted in a decrease of $70,000 being expensed in the Statement of Profit & Loss. The Limpet Crescent property was sold in FY2019.

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 2019 ($)	30 June 2018 ($)
Software	339,385	-
Accumulated amortisation	(3,881)	-
TOTAL	**335,504**	-

(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 2017	101,186	101,186
Amortisation expense	(101,186)	(101,186)
CARRYING AMOUNT AT 30 JUNE 2018	-	-
Additions	339,385	339,385
Amortisation expense	(3,881)	(3,881)
CARRYING AMOUNT AT 30 JUNE 2019	**335,504**	**335,504**

All amortisation charges are included within the amortisation expense in the statement of profit or loss and other comprehensive income.

Note 7 Investment Properties

	30 June 2019 ($)	30 June 2018 ($)
Balance at beginning of the period	12,905,000	13,242,500
Investment properties sold	(340,000)	-
Fair value adjustments	(1,047,500)	(337,500)
BALANCE AT END OF THE PERIOD	**11,517,500**	**12,905,000**

During the year the investment properties held by the Foundation were formally valued to fair value. This resulted in a reduction in the current year of $1,047,500 (2018: $337,500) being recognised directly in the profit or loss as the fair values of these properties are below their carrying value.

The property appraisals were performed by external valuation organisations experienced in property valuations and who are unrelated to the GGF.

The methodology used was a comparison to similar sales in each of the regions for similar properties.

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

Note 8 Financial Investments

	30 June 2019 ($)	30 June 2018 ($)
Financial investments assets comprise:		
Fixed interest securities, at fair value	28,525,220	26,306,211
Listed equities securities, at fair value	65,420,991	57,969,725
Unlisted equities securities, at cost	150,000	-
TOTAL FINANCIAL INVESTMENTS ASSETS	**94,096,211**	**84,275,936**

Reconciliation of Financial Investment Assets:

	30 June 2019 ($)	30 June 2018 ($)
Balance at the start of the financial year	84,275,936	75,669,256
Purchases	22,644,735	20,184,609
Disposals	(15,182,934)	(15,958,298)
Revaluation increase/(decrease) through Financial Assets Reserve	2,358,474	5,586,147
Impairment of Financial Assets	-	(1,205,778)
BALANCE AT 30 JUNE	**94,096,211**	**84,275,936**

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

Note 9 Trade and Other Payables

	30 June 2019 ($)	30 June 2018 ($)
Current		
Trade payables	80,457	28,110
Unassigned Member program funding	28,540,920	12,524,932
Other payables and accruals	2,361,616	539,604
TOTAL	**30,982,993**	**13,092,646**

Unassigned Member program funding is the balance of program funding, calculated under the Trust Deed, which is carried forward and available for future Member programs. (Refer Note 2(e)).

Note 10 Provisions

	Employee Benefits	
	30 June 2019 ($)	**30 June 2018 ($)**
Current		
Annual leave	49,789	38,563
TOTAL CURRENT	**49,789**	**38,563**
Non-Current	-	-
Long Service Leave	5,381	1,962
TOTAL NON-CURRENT	**5,381**	**1,962**

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

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

The non-current portion includes the total amount accrued for long service leave entitlements that have not vested as at 30 June 2019 due to employees not having completed the required period of service.

Note 11 Reserves

Asset Revaluation Reserve

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

Analysis of Asset Revaluation Reserve

	30 June 2019 ($)	30 June 2018 ($)
Balance at 1 July	-	-
Revaluation of land and buildings	-	-
BALANCE AT 30 JUNE	-	-

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 2019 ($)	30 June 2018 ($)
Balance at 1 July	12,208,119	7,270,666
Reclassify equity investments from retained earnings to Fair Value through Other Comprehensive Income (FVOCI) on initial adoption of AASB 9	(4,008,572)	-
Net realised (gain)/loss from previous unrealised gain/(loss) on financial assets	(65,413)	-
Profits/(losses) realised on sale of AFS Investments	189,989	(648,694)
Transfer from Financial Assets reserve on disposal	(189,989)	-
Revaluation increment of AFS Investments	2,358,474	5,586,147
BALANCE AT 30 JUNE	**10,492,608**	**12,208,119**

Note 12 Cash Flow Information

	30 June 2019 ($)	30 June 2018 ($)
Reconciliation of surplus/(deficit)to net cash provided by operating activities		
Surplus/(Deficit) for the year	14,133,297	3,426,443
Add (less) non-cash items:		
Depreciation	11,419	25,001
Amortisation	3,881	-
(Gain)/loss on disposal of property, plant & equipment assets	12,239	(160)
(Gain)/loss on disposal of investment property	30,000	-
Impairment of investment properties	1,047,500	337,500
Impairment of property, plant & equipment	-	70,000
Increases and decreases in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(15,290,157)	(2,676,077)
Increase/(decrease) in provisions	14,644	12,755
Increase/(decrease) in trade and other payables	17,121,905	2,193,215
NET CASH PROVIDED BY OPERATING ACTIVITIES	**17,084,728**	**3,388,677**

Note:
There were not any non-cash financing or investing transactions.
There are no restrictions on cash held.

Note 13 Auditor's Remuneration

	30 June 2019 ($)	30 June 2018 ($)
Fees paid or payable to the auditor, Bentleys, for:		
Auditing the financial report	28,000	28,000
TOTAL	**28,000**	**28,000**

These fees relate to the audit of the financial statements of GIPL.

Note 14 Related Party Transactions

Related Parties

The Trust's main related parties are as follows:

a. Key management personnel

The Directors of Gumala Investments Pty Ltd, being the trustee company of the General Gumala Foundation Trust, have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and are considered key management personnel of the Trust. Directors during the year are listed on Page 12 in the Directors Report. Other key management personnel (other than Directors) are detailed on Page 17 of the Directors Report.

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

	30 June 2019 ($)	30 June 2018 ($)
Short-term employee benefits	445,824	450,530
Post-employment benefits *	41,947	42,370
TOTAL	**487,771**	**492,900**

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

b. Other Gumala Entities

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

	30 June 2019 ($)	30 June 2018 ($)
Gumala Aboriginal Corporation (GAC)		
Expenses from provision of funding and acquisition of services from GAC	9,629,150	6,316,835
Recovery of expenses from GAC	101,117	111,040
Gumala Enterprises Trust (GET)		
Interest revenue from provision of loan to GET	48,700	-
Recovery of expenses from GET	6,755	-
Expenses from acquisition of services from GET	7,611	1,201

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

	30 June 2019 ($)	30 June 2018 ($)
Gumala Aboriginal Corporation (GAC)		
Accounts Payable	38,878	-
Other Payable – Accrued GAC Operating and Member Program expenses	887,964	489,668
Gumala Enterprises Trust (GET)		
Accrued Income – Interest from loan to GET	20,960	-
Distribution Receivable from GET (Current)	200,000	200,000
Distribution Receivable from GET (Non-Current)	96,850	296,850
Loan Receivable from GET (Current)	750,000	-
Loan Receivable from GET (Non-Current)	750,000	-

c. Other Related Parties

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

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

Note 15 Financial Risk Management

Risk management objectives and policies

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

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

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

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

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

	Note	30 June 2019 ($)	30 June 2018 ($)
Classes of financial assets			
CARRYING AMOUNTS:			
Cash and cash equivalents	3	17,638,271	9,584,587
Trade and other receivables	4	22,639,186	4,483,309
Financial investments	8	94,096,211	84,275,936
TOTAL		**134,373,668**	**98,343,832**

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

Market Risk

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

The Trust is exposed to two sources of market price risk in fluctuations in interest rates applicable to its financial cash at bank and term deposits assets and fluctuations in the market value of its available-for sale investment assets.

The Trust regularly reviews the performances of the appointed investment managers.

(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 Financial assets securities held.

The Financial asset securities are typically publicly 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 Financial 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 Financial asset investments was:

	30 June 2019 ($)	30 June 2018 ($)
Fixed interest securities, at fair value	28,525,220	26,306,211
Listed equities securities, at fair value	65,420,991	57,969,725
Unlisted equities securities, at cost	150,000	-
TOTAL FINANCIAL ASSETS	**94,096,211**	**84,275,936**

The Trust has elected to recognise all changes in value of financial assets and all gains or losses on the sale of available-for-sale financial assets in Other Comprehensive Income.

Sensitivity Analysis

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

	Profit ($)	Trust Funds ($)
YEAR ENDED 30 JUNE 2019		
+/– 1% in interest rates	121,383	121,383
+/– 10% in equity prices	6,542,099	6,542,099
YEAR ENDED 30 JUNE 2018		
+/– 1% in interest rates	39,521	39,521
+/– 10% in equity prices	5,796,972	5,796,972

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

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

Liquidity Risk

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

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

As at 30 June 2019, the table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Trust does not directly hold any derivative financial liabilities.

Financial liability analysis

		Current		Non-current	
	Carrying Amount ($)	Within 6 months ($)	6 to 12 months ($)	1 to 2 years ($)	More than 2 years
30 June 2019			-	-	-
Trade & other payables	80,457	80,457	-	-	-
TOTAL FINANCIAL LIABILITIES	**80,457**	**80,457**	**-**	**-**	**-**
30 June 2018			-	-	-
Trade & other payables	28,110	28,110	-	-	-
TOTAL FINANCIAL LIABILITIES	**28,110**	**28,110**	**-**	**-**	-

Note 16 Fair Value Measurements

Fair value estimation

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

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

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

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

	Note	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
30 June 2019					
Financial assets					
Financial investments	8	93,946,211	-	150,000	94,096,211
NET FAIR VALUE		**93,946,211**	**-**	**150,000**	**94,096,211**
Non-financial assets					
Investment properties	7	-	11,517,500	-	11,517,500
Property, plant and equipment - buildings	5	-	-	-	-
NET FAIR VALUE			**11,517,500**		**11,517,500**
30 June 2018					
Financial assets					
Financial investments	8	84,275,936	-	-	84,275,936
NET FAIR VALUE		**84,275,936**	**-**	**-**	**84,275,936**
Non-financial assets					
Investment properties	7	-	12,905,000	-	12,905,000
Property, plant and equipment - buildings	5	-	140,000	-	140,000
NET FAIR VALUE			**13,045,000**		**13,045,000**

Valuation techniques

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

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

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

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

The fair value of the investment property assets is determined based on appraisals performed by independent, professionally qualified property valuers at least every three years. At the end of each intervening period, the Directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies. The fair values of all investment property holdings were valued by third parties and their values adjusted accordingly for 30 June 2019.

Note 17 Contingent Assets and Contingent Liabilities

The Gumala Foundation is a beneficiary of the Gumala Enterprises Trust ("GET") and may be entitled to a distribution of profits for the year ended 30 June 2019.

Note 18 Events after the End of the Reporting Period

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

Note 19 Trust Details

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

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

As at 30 June 2019, Gumala Investments Pty Ltd had three employees and six 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 pages 19 to 42 present fairly the Trust's financial position as at 30 June 2019 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.

Signed in accordance with a resolution of the Board of Directors made pursuant to s295(5) of the Corporations Act 2001:

Director: ______________________________

Chairperson – Brendon Grylls for and on behalf of the Board of Gumala Investments Pty Ltd
Dated this 29th day of August 2019

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

Bentleys
THINKING AHEAD

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To the Members of Gumala Investments Pty Ltd as Trustee for the General Gumala Foundation

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Gumala Investments Pty Ltd as Trustee for the General Gumala Foundation ("the Company"), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Company is in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission ("ACNC") Act 2012*, including:

   (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001* and the *ACNC Regulations 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001;* the *Australian Charities and Not-for-profits Commission ("ACNC") Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the Members of Gumala Investments Pty Ltd as Trustee for the General Gumala Foundation *(Continued)*

Bentleys
THINKING AHEAD

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the 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 *Corporations Act 2001*; the *Australian Charities and Not-for-profits Commission ("ACNC") Act 2012* and for 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.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the Members of Gumala Investments Pty Ltd as Trustee for the General Gumala Foundation *(Continued)*

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

– Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

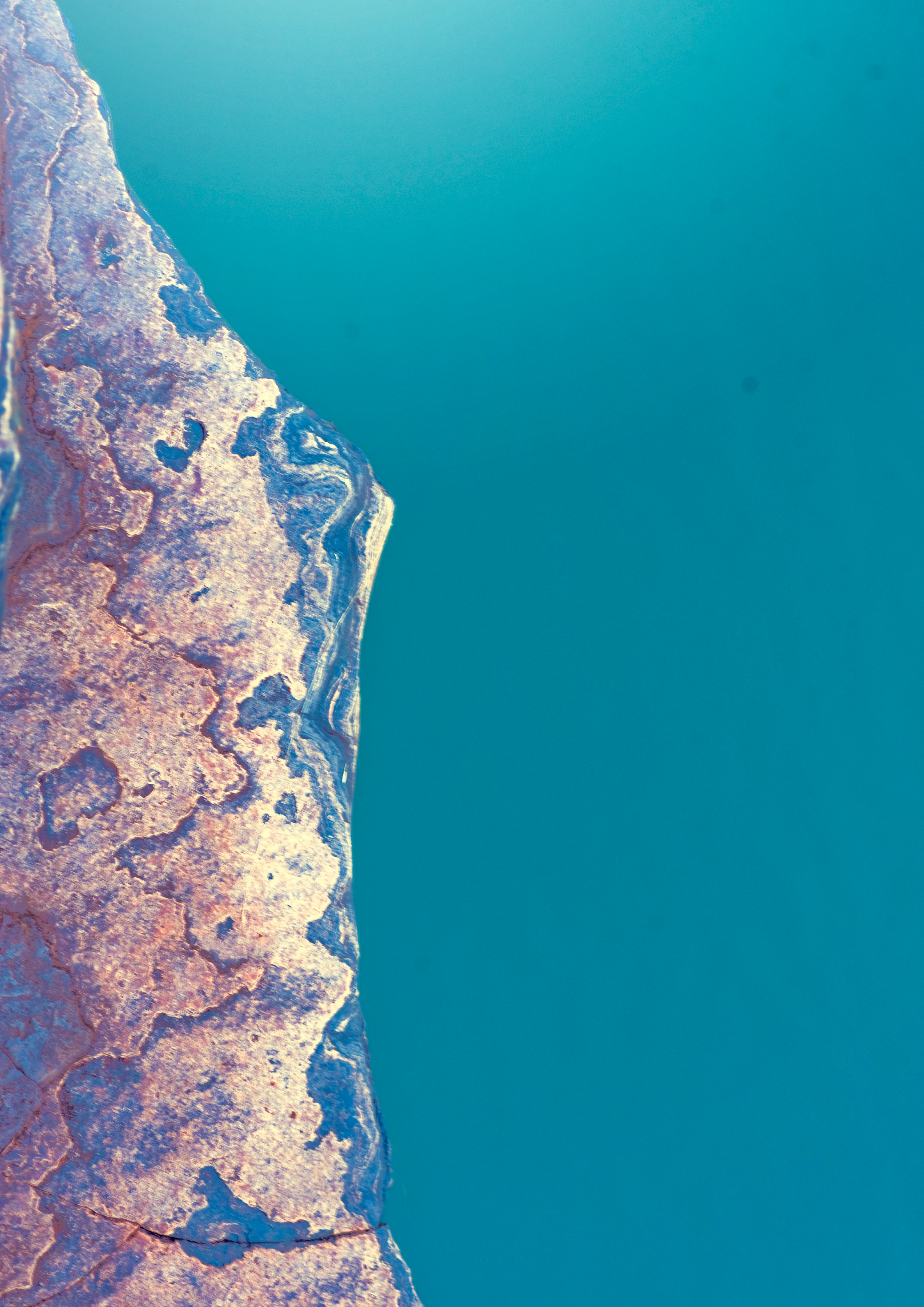
Bentleys

BENTLEYS
Chartered Accountants

Chris Nicoloff

CHRIS NICOLOFF CA
Partner

Dated at Perth this 29th day of August 2019



THE GUMALA TRUST

a safe pair of hands

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