

Indigenous Essential Services

Annual Report

2015-16

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Purpose

This Annual Report provides a record of operations and achievements for the 2015-2016 financial year for Indigenous Essential Services Pty Ltd, a not-for-profit subsidiary company of Power and Water Corporation.

Our Values

01

Safety and Environment
Protecting the health and well-being of staff, contractors, general public and environment.

02

Accountability
Transparent and accountable for all our actions.

03

Commitment to Service
Leading by example, continually improving and working as a team to deliver our services with passion and purpose.

04

Communication
Open, positive, constructive interactions to achieve optimal individual and business outcomes.

05

Respect
Respect and treat all people with courtesy, working cohesively to achieve our goals in a supportive, engaged and enthusiastic manner.



About us

Indigenous Essential Services Pty Ltd (IES) provides electricity, water and wastewater services to 72 remote communities and 66 outstations under an agreement with the Department of Housing and Community Development.¹

Each centre is geographically isolated and dispersed across tropical and arid environments, requiring services that are resilient to the extremes of the harsh Northern Territory climate. Rapid development in these regions requires a commitment to working with communities toward sustainable electricity and water use to meet future needs and aspirations. Power and Water contracts and trains Essential Services Operators through local councils, Indigenous enterprises and private contractors to run facilities day-to-day.

Ninety per cent of potable water is groundwater, from some 227 production bores through 181 water storage tanks and 650km of reticulation. A multi-barrier approach is taken to providing drinking water consistent with Australian Drinking Water Guidelines. Chlorination and ultraviolet systems are used as appropriate.

Infrastructure includes electrical submersible water pumps, highly efficient diesel and low emission gas and renewable power stations. Remote power stations are controlled by automated systems, requiring a high degree of expertise by the staff involved in operation and maintenance.

Fifty-six remote towns and communities have full water-borne sewage disposal systems with waste stabilisation ponds. The remainder have individual on-site systems maintained by the community.



¹ As of 8 September 2016, former Department of Local Government and Community Services was renamed the Department of Housing and Community Development.

Message from the Chair



Over the last year, there have been some remarkable energy and water savings measured in some of the most water stressed communities in the Territory such as Yuendumu and Milingimbi and this work will continue.

Indigenous Essential Services (IES) is a not-for-profit subsidiary, owned by Power and Water, providing services to remote communities under an agreement with the former Department of Local Government and Community Services (DLGCS). Now known as the Department of Housing and Community Development (DHCD), the current agreement, which commenced in 2013 was due to expire on 30 June and it has been rolled over for a short time and will be renegotiated during 2016-17.

Over the course of the current agreement, Power and Water and DHCD have developed a constructive relationship and worked closely together to make the best use of available funds.

And we have needed to. Like most functions of any Government, the funds that are available remain constrained, (though despite this, IES has managed to continue to meet the service standard requirements). However, the Board is concerned that many of the assets, particularly in water and sewerage are quite aged and at some point, more attention will need to be given to the replacement of these aged assets if service standards are to continue to be maintained.

The move to measure asset values on the basis of the cost to replace the current service capacity rather than historical cost has made this asset replacement issue more apparent because of the increased allowance for depreciation. IES is now recording substantial accounting losses as it is funded on a cash expense or capital spend basis and this does not cover the increased non cash depreciation cost.

The relationship with DHCD has also benefited from a greater understanding of the respective roles. Both parties accept that while IES has to be fundamentally concerned about providing safe and reliable services at least cost, IES also has a broader charter to promote indigenous employment and more generally community development. IES and Power and Water are increasing focus on facilitating these broader objectives of Government.

There have been many IES achievements throughout the year highlighted in this annual report, which is a credit to all staff involved.

The core task is to provide power, water and sewerage services in remote communities and

we do that well. Safety, environment, training and stakeholder engagement improvements and initiatives continue to form a core part of IES business operations.

Over the last year, we've had a large increase in our Essential Services Operator (ESO) intake. We have 188 Power and Water trained ESOs servicing and maintaining our infrastructure across 72 remote communities. Water and energy demand management education continues to be an essential part of community engagement in remote communities. Last year there were some remarkable energy and water savings measured in some of the most water stressed communities in the Territory such as Yuendumu and Milingimbi and this work will continue. The learnings from the Manymak Energy Efficiency Project will be used to inform future energy demand management strategies and the Solar Energy Transformation Program (Solar SETuP) will shortly commence construction – representing enormous environmental benefits and diesel fuel savings of 15 per cent across all communities connected to the diesel-solar hybrid system.

Despite these operational achievements, the robustness of the IES financial system and its financial reporting framework has fallen short of audit requirements in the last two years. The combination of structural separation and the move to a new system of valuing assets has revealed inadequacies in systems and processes (which are managed by and integrated with Power and Water).

While material improvements have been made in 2015-16, gaps still exist, particularly in the area of fixed assets. IES has good asset data for managing the assets but all the necessary data to enable a clean audit is still not available as at the end of June 2016.

Full rectification of the fixed asset reporting issues will be delivered by June 2017.

Despite these concerns, the IES staff do an excellent job on the ground in providing services and the Board is confident they will continue to do so.

Ken Clarke
Board Chair

Message from the Chief Executive



Our staff work diligently, carrying out tasks better and progressively improving the way we do business. They work tirelessly in challenging conditions to deliver services throughout the Territory.

My first year with the Power and Water Corporation and Indigenous Essential Services as its not-for-profit subsidiary, has provided an opportunity for significant review and development.

As one of the Territory's biggest employers and largest essential service providers on which every Territorian depends, we need to ensure we are doing everything possible to provide safe and reliable services as well as improve the efficiency of our business.

To achieve this we need to build our capability internally and we need to invest in areas of our business that need solutions and outcomes to assist with the everyday challenges of continually developing and meeting service requirements.

The Board's Strategic Directions Paper has set us on a path of more progressive change over the next four years through a Business Transformation program. This program will see each business area of the corporation fully accountable for its performance through people, processes and systems to become a best practice, commercially focused and customer centric multi-utility that is respected by the community.

Our staff are central to that outcome and they continue to work hard, carrying out tasks better and progressively improving the way we do business. They work tirelessly in challenging conditions to deliver services throughout the Territory.

Safety is a priority that continues to underpin our activities across the corporation. This is an area that won't be compromised and needs a constant rigorous focus. Our safety outcomes need considered improvement and through a more developed safety culture and active leadership, we will drive improvements throughout the organisation.

Our investment in vital infrastructure has continued in all regions and remote areas. These projects ensure the safe and reliable supply of services to remote communities. In Robinson River, critical water infrastructure was replaced with two new elevated water tanks and in Wurrumiyanga on Bathurst Island, pipes carrying water from the bores to the water storage tank have been upgraded.

The commissioning of the Wadeye power station as a low emissions, low cost source of power has seen the the previous power station replaced after it was no longer able to meet the needs of the growing communities in the area. The Solar SETuP program continues as the largest isolated off-grid solar rollout in a regulated environment, delivering an additional 10 megawatts of solar power to communities across the Northern Territory.

Investment in infrastructure will need to continue as many of our assets in remote communities start to age and need to be maintained as we continue to provide water, sewerage and electricity services in these areas.

Under the agreement with the Department of Housing and Community Development, we continue to work closely together with an obligation to be a more flexible, responsive, professional and sustainable organisation. We owe that to ourselves, our customers, the government and the Northern Territory community.

Growth in the Northern Territory has been rapid in recent years and we need to ensure we can continue to deliver services efficiently and economically across all regions. Further investment in significant infrastructure is required to sustain the development and Power and Water must find efficiencies in preparation for this infrastructure spend.

We are focused on delivering the best possible outcomes for our customers and stakeholders across the Territory and I look forward to continuing to build on the great work that we do and meeting the future expectations of the community.

A handwritten signature in black ink, appearing to read 'Michael Thomson', written in a cursive style.

Michael Thomson
Chief Executive

Our Performance

Safety

We are currently implementing a safety management system for the safety of our employees, contractors, the general public and our assets. The Power and Water safety training program has been completed and is now being implemented through Indigenous Essential Services (IES).

One of our focus areas is to develop and facilitate best practice in managing external contractors by ensuring contractors receive an appropriate level of induction, including use of IES specific machinery and equipment and that it is operated in a safe condition, safe systems of work are utilised and appropriate protective clothing is worn.

The reporting of hazards and events through the Essential Services Operators (ESOs) will be a continuing focus.

People

There are 188 ESOs working across the Territory carrying out minor works and services. These skilled locals provide an efficient approach to infrastructure servicing and maintenance in remote Indigenous communities.

Power and Water provides services to remote communities through Indigenous Essential Operators (ESOs) contracted by regional councils and Indigenous business enterprises. This is a significant initiative in increasing local Indigenous employment.

Customer Service and Stakeholder Engagement

The IES services purchasing agency under the IES Agreement, the previous Department of Local Government and Community Services (DLGCS) undertook the Stakeholder Satisfaction survey in the second quarter of 2016 and found in summary a similar level of satisfaction to a prior survey conducted in 2015.

Social media (Twitter) is used to communicate planned service outages to remote customers.

Various demand management initiatives continue to secure outcomes for customers in remote communities. A collaboration with the Department of Housing saw water demand management activities being carried out in Milingimbi and Wadeye and this work is expected to continue.

Environment

Power and Water is committed to minimising its environmental impact and implementing programs to reduce resource use:

- Emissions through heavy reliance on diesel fuel in remote communities will be reduced by the implementation of the Solar SETuP program. In 2015-16 preliminary activities continued in preparation to commence first site installations in 2016/17. The first 10 communities to receive solar installations will be completed by the end of 2017.
- Applications for 10 Waste Discharge Licences from the Environmental Protection Authority (EPA) have been submitted.
- We have developed a Corporate Environment strategy and adopted a revised Environmental Management system.

The Manymak Energy Efficiency Project outcomes and smart meter data provide opportunities to reduce waste and inefficiency and to manage demand for services. The detailed findings are embedded in the final report that is due for publication in September 2016.

Operational Performance

A range of operational activities are underway that will improve our performance across the business:

- The installation of Supervisory Control and Data Acquisition (SCADA) will be rolled out across all 72 communities over the next three years. Thirty-three communities are already connected to the SCADA system, which means that we have centralised operational data from these communities. Depending on other elements, this has the potential to help us manage remote service outages in a more responsive and efficient way.
- A revised energy strategy was endorsed by the Board. The aim of the strategy is to provide reliable, safe and economically sustainable energy services that add value to remote communities by improving efficiencies, service level performance, governance and asset optimisation.
- A revised Strategy for Safe Water has been endorsed by the Department of Health and the Board. Over the 2016-17 period, the Water Safety Assessments will be extended to cover shallow/high risk groundwater sources.
- Water Safety Assessments have been completed at Barunga, Pirlangimpi and Yuelamu, identifying improvement opportunities at all three communities.
- The outcomes of the Manymak Energy Efficiency project will be used to inform a demand management strategy, which will be delivered in the second half of 2016.

Financial Performance

We commenced a range of system improvements across the business to improve visibility and accountability for costs. Although the accounts of the company received a qualified audit opinion in relation to fixed assets, the ongoing rectification program will continue into 2016-17 with a focus on moving to a marginal corporate overhead charging regime and the completion of an asset verification, system alignment and valuation program of activity. We anticipate the asset rectification program will be complete by 30 June 2017.

IES achieved a small surplus in operational recurrent grant funding due to the reduction of diesel unit pricing in fuel used for generation. The financial improvements seen in 2015-16 are expected to continue in 2016-17, through operational efficiency initiatives, sustained diesel pricing and application of marginal overheads, although the business is still expected to report a deficit for 2016-17 due to the ongoing significant depreciation charge.

We will continue to improve financial reporting and analysis of operational activities through better allocation of resources and expenditure tracking to support decision making.

Future

A Remote and Regions Energy strategy has been completed and sets the agenda to investigate grid connection opportunities and expand renewable energy penetration to deliver both lowest cost energy supply and to enable ongoing community development.

Specific grid connection opportunities include the connection of Nganmariyanga and Peppimenarti to our new, low cost gas plant at Wadeye and a regional grid across the Tiwi Islands. Our 10 megawatt Solar SETuP program will continue in 2016-17, embedding solar/diesel hybrid systems as our Business-as-Usual approach to remote power supply.

Remote and Regions Water strategies have been developed for Water Sourcing, Water Sustainability, Wastewater Management and Water Asset Management to focus and optimise capital investment and asset sustainability activities to best deliver our ongoing obligations for safe, consistent and reliable long term water and wastewater services.

Remote staff are establishing engagement processes with the Northern Territory Government entities with responsibility for delivery of the new 10 year Remote Housing program to ensure infrastructure requirements in support of the community specific programs are aligned and fit for purpose.



87%

OF STAFF PARTICIPATED IN THE 2015 STAFF ENGAGEMENT SURVEY



TWITTER IS USED TO COMMUNICATE PLANNED SERVICE OUTAGES TO REMOTE CUSTOMERS



APPLICATIONS FOR 10 WASTE DISCHARGE LICENCES FROM THE EPA



MANYMAK ENERGY EFFICIENCY PROJECT COMPLETED 30 JUNE 2016

Indigenous Essential Services

Statistical Summary

As at 30 June 16

2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016

ELECTRICITY

Generation														
Installed Capacity (including solar)	MW	42	45	48	51	56	60	70	71	74	78	83	74	78
- Installed Capacity - solar	MW	-	-	0.5	0.7	0.7	0.8	0.8	0.8	0.8	1.5	0.6	1.3	0.1
Electricity Generated (including solar)	GWh	79	85	94	95	97	106	112	103	108	115	113	108	115
- Electricity Generated - solar	GWh	-	-	1.0	1.6	1.0	0.8	0.7	0.3	0.2	0.6	0.2	0.2	0.0
Electricity Sent Out (solar, including purchases from PWC & private suppliers) - estimated	GWh	-	-	93	93	97	123	129	119	125	134	136	129	137
- Purchases from PWC (for IES connected to PWC networks) - estimated	GWh	-	-	-	-	-	11	12	9	10	12	11	15	16
- Purchases from private suppliers	GWh	7	7	7	8	8	8	8	8	9	9	8	8	9
Distribution (22/11 kV & Below) I														
HV Overhead	km	321	341	344	373	349	473	513	579	579	876	909	917	920
HV Underground	km	1	1	1	1	5	5	5	7	7	8	8	7	6
LV Overhead	km	243	248	253	278	278	278	278	325	325	319	322	326	328
LV Underground	km	1	1	1	1	4	3	3	3	3	2	3	4	4
SWER All Voltages	km	87	87	87	87	87	87	87	87	87	121	121	121	121
Sales	MWh	58,023	58,893	60,019	60,574	63,665	104,501	112,030	112,726	119,540	119,250	121,759	120,132	124,727
Customers #	No. of	6,717	6,818	7,213	7,373	7,421	7,540	8,116	8,478	8,507	9,179	9,026	8,859	8,975

WATER

System Capability	ML/day	-	-	-	-	35	75	44	44	67	67	66	66	64
Total Sourced Water	ML	9,970	10,104	9,733	9,250	9,846	9,848	9,792	9,002	9,680	10,306	10,433	11,321	9,773
Length of Mains	km	639	647	649	649	649	652	654	654	654	623	650	655	680
Sales	MWh	-	-	-	-	-	1,666	1,855	1,491	1,916	2,180	2,068	2,325	2,432
Customers	No. of	522	530	542	567	783	1,341	2,175	2,213	2,549	2,563	2,565	2,808	2,930

WASTEWATER

Volume of Sewage Treated	ML/day	2,636	2,732	3,508	3,552	3,835	3,940	3,917	3,601	2,897	3,337	3,429	3,936	4,194
Length of Sewer Mains	ML	340	346	346	320	303	305	307	303	303	334	335	340	344
Customers (ie. Installations)	No. of	401	407	420	847	899	1,122	1,467	1,793	1,834	2,292	2,398	2,527	2,551

NOTES

1. Dash (-) Indicates data not applicable or not available
2. Electricity numbers - 2014 Customer numbers were restated to remove duplicate installs that were originally included.





Water Projects

Robinson River Water Supply project team

Community growth and increasing water demand, public health concerns and infrastructure reliability and sustainability are all driving water improvement activities in the community.

Securing Mungoorbada's (Robinson River's) Future Water Supply

Power and Water has been working for a number of years to secure additional water sources and improve the water quality in the Mungoorbada community, also known as Robinson River. Community growth and increasing water demand, public health concerns and infrastructure reliability and sustainability are all driving water improvement activities in the community.

Robinson River's two existing production bores are unable to meet current community water demand and will need replacing within five years. They are also located within 20 metres of a septic tank, increasing the risk of water supply contamination. In 2013, Power and Water conducted water source investigations which did not find alternative water sources close enough to the community. Since that time, over the 2014-15 financial year, Power and Water has committed to securing the quality of

the existing water supply by investing in surface water treatment and disinfection processes; installing and commissioning a filtration unit and UV system; and, improving the reliability of chlorine disinfection through the construction of a shed for sodium hypochlorite storage to prevent its degradation.

In 2015-16, Power and Water committed to further water source investigation by constructing an infiltration gallery in alluvium on the eastern side of Robinson River.

Power and Water is also delivering a project funded by the Department of Infrastructure, to increase water storage capacity. Two replacement elevated tanks will be installed on new 15 metre stands. This will quadruple the total water storage capacity.

Water Savings

Power and Water has been working with water stressed remote communities across the Northern Territory to achieve remarkable water and energy savings.



Yuendumu Magpies



Milingimbi water house visit

Milingimbi

The Milingimbi Water Efficiency Project was delivered from July 2015 to June 2016, responding to sustainability issues with the existing community water supply. Residential demand accounted for approximately 60 per cent of the consumption and water use was much higher than that from the available resource. The joint Power and Water and Department of Housing project targeted both community residents and non-residential customers, aiming to reduce water demand across the community. The project sought to reduce the amount of water loss (through leak repair and education) from approximately 30 per cent to 10 per cent of overall water demand. The project saw an overall water saving of more than 50 megalitres. This has brought the community's water demand within the sustainable yield of the aquifer. In addition, the amount of water loss was almost halved. Power and Water will continue to work with the community residents and stakeholders of Milingimbi over 2016-17 to maintain

efficient use and continue to achieve further water savings.

Yuendumu

Yuendumu is one of the most water stressed of all 72 remote communities Power and Water provides essential services to. Current water extraction rates are unsustainable, and the borefields are reaching the end of their capacity to meet peak demand. These factors are further compounded by the significant investments made in additional housing in recent years. The Yuendumu Water Efficiency project was implemented between July 2014 and June 2016 to extend the community's water supply. Three customer-facing water savings strategies were implemented, including:

- Community-wide education;
- Development of a documentary and community service announcement filmed in Yuendumu with local people; and

- The installation of smart water meters to measure water use patterns and identify water leaks.

A 42 per cent reduction in water use has been achieved from the peak in 2013.

Galiwin'ku

A partnership with the Shepherdson College in Galiwin'ku saw Power and Water conduct an energy and water efficiency audit across the school in January 2016. Three major water leaks were identified, as well as efficiencies around irrigation systems, repairing of irrigation timers, and installing air conditioning timers. Power and Water worked closely with the school to fund a retro-fit program on its air conditioning units to prevent them being left on overnight. Initial power consumption readings showed an average saving of 86 kWh/day between May and August 2016, compared to the same time the previous year. This represents a saving of about \$25 a day for the school, based on standard tariff rates.



Daly River Flood Response

On Christmas Eve 2015, a tropical low weather system approached the coast near the town of Daly River. Over the following days the rainfall from this low resulted in the flooding of the town and evacuation of residents on Boxing Day. The community resided in Darwin for a period of three weeks while flood waters rose and fell.

Power and Water staff worked as part of the whole of government effort to respond to the flooding event. With evacuations commencing on Boxing Day, our staff remained in the community to manage and protect the water, sewer and power systems.

They coordinated with other agencies to restore power to homes that were impacted and worked continuously over the holiday period to ensure a safe and operational environment in time for the return of the community.



Remote Smart Water Metering

Smart water meters provide automated flow readings to identify water loss from leaks or excessive use. This enables targeted community and stakeholder engagement to reduce water loss.

Smart water meters have been installed in eight remote communities: Santa Teresa, Gunbalanya, Milingimbi, Ali Curung, Epenarra, Galiwin'ku, Yuelamu and Yuendumu. The smart water meters in Milingimbi have also been used as part of a collaborative water charging trial with Department of Housing to further reduce water losses in Milingimbi.

Smart water metering has achieved up to 20-30 per cent reduction in water usage due to the prompt identification and resultant fixing of leaks in partnership with customers.

Two smart metering technologies have been deployed both of which measure water use and relay automated meter data wirelessly through a service provider to Power and Water. The data is used to gain an early detection of leaks or excessive use, enabling targeted community engagement.



Manymak Energy Efficiency Project

Yolgnu energy efficiency workers Gapuwiyak

The Manymak Energy Efficiency project was a \$12.5 million project led by Power and Water in six communities in east Arnhem Land from 2013 to 2016. The project consortium included the Centre for Appropriate Technology (CAT), East Arnhem Regional Council, the Research Institute for the Environment and Livelihoods (RIEL) and the Northern Territory Department of Housing.

The project was one of 20 Low Income Energy Efficiency projects carried out across Australia. Yolgnu people were at the centre of Manymak program design and delivery with 81 Yolgnu Energy Efficiency Workers (YEEWs) employed to deliver door-to-door energy and water efficiency education. The project achieved an average reduction in energy consumption by seven per cent across the communities and delivered a best practice model for energy efficiency engagement in remote communities.

The Manymak Energy Efficiency project was the first energy efficiency project of this scale to be delivered in remote communities, and addressed a real community need in ways that were culturally appropriate, respectful and responsive.

The Manymak Energy Efficiency project was the first energy efficiency project of this scale to be delivered in remote communities, and addressed a real community need in ways that were culturally appropriate, respectful and responsive.



Solar Energy Transformation Program (Solar SETuP)

Solar SETuP Local Ranger Employment program

The Solar SETuP program builds significantly on Power and Water's 20 years of experience in incorporating solar technologies into regional and remote communities.

As the largest isolated off-grid solar rollout in a regulated environment, Solar SETuP is a world-first program. It will transform the way energy is supplied to remote communities with hybrid solar/diesel power generation becoming an integral part of electricity supply.

SETuP will deliver an additional 10 megawatts (MW) of solar power to communities across the Northern Territory that currently rely entirely on diesel generators.

The result will be cleaner and quieter generation, with increased capacity and flexibility for future growth. Anticipated fuel savings of 15 per cent from the integrated solar panels will also mean a reduced reliance on expensive diesel deliveries. A 1 MW solar system at Nauiyu (Daly River) will use battery storage technology to achieve a 50 per cent saving in diesel fuel.

Building of the first tranche of 10 communities (3.325MW) is underway. Tenders will be called to construct the 1MW of solar at Daly River next year, with battery system install and intensive testing to follow.

SETuP will deliver an additional 10 megawatts of solar power to communities across the Northern Territory that currently rely entirely on diesel generators.



Michael Long Learning and Leadership Centre

Partnership with the Michael Long Learning and Leadership Centre

The Michael Long Learning and Leadership Centre (MLLLC) encourages Indigenous youths to learn and lead through sport. Power and Water employees are particularly engaged with the MLLLC program as their work has direct relevance to youth in remote communities. Our team members are actively involved in delivering presentations and engaging with youth through the MLLLC program; sessions have a focus on safety around our assets in communities, how power and water is delivered in remote communities, the integral role played by the local ESOs and highlighting future employment pathways at Power and Water.

Power and Water employees are particularly engaged with the Michael Long Learning and Leadership Centre program as their work has direct relevance to youth in remote communities.

Organisational Structure

General Manager
Len Griffiths

REMOTE AND REGIONS CORE AREAS

Water and Sewer Services
Nigel Deacon

Electricity Services
Duncan Griffin

Health and Safety
Todd Sinclair

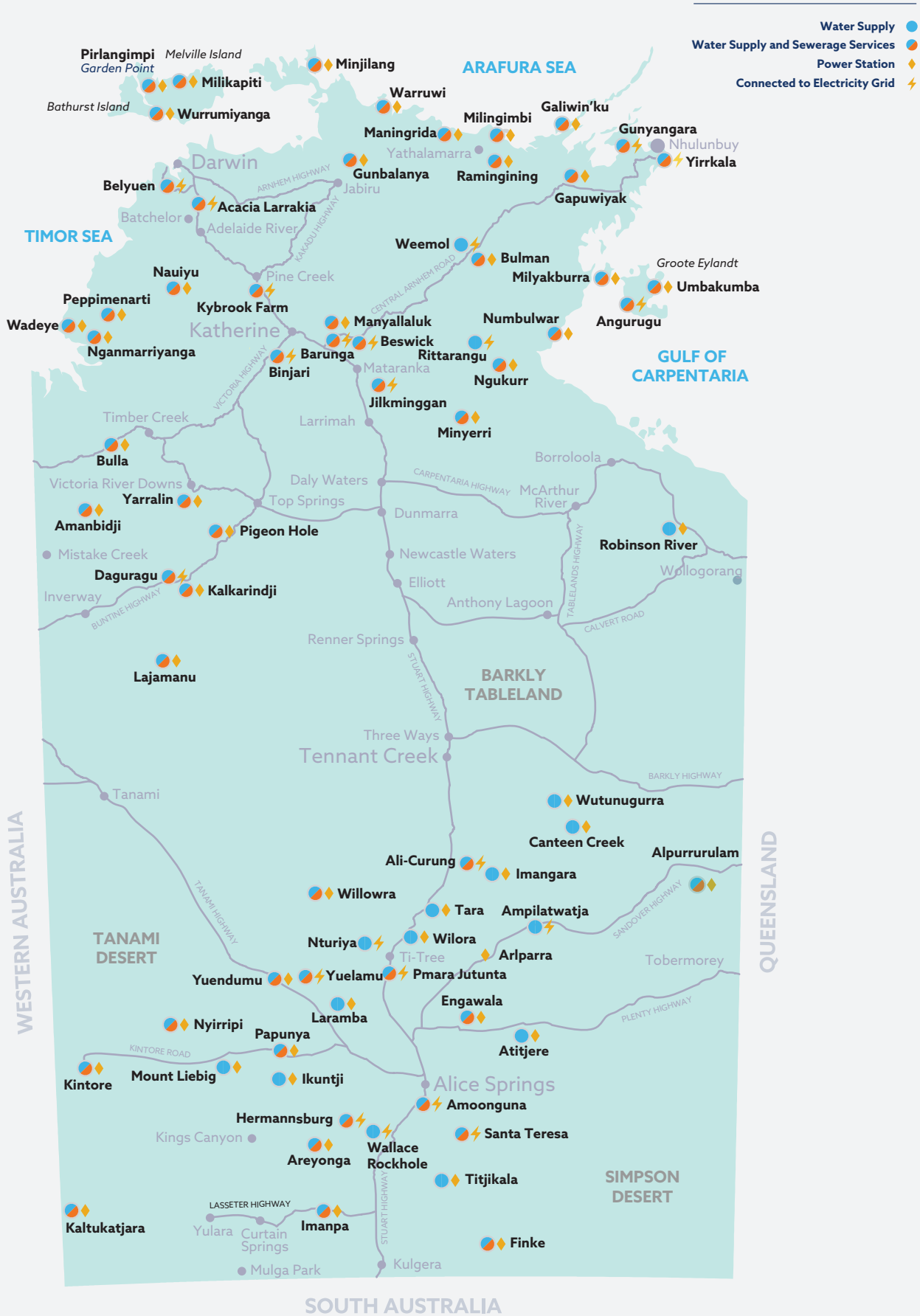
Stakeholder and Contract Management
Lindsay Smith

Business Management
David Coucill

Solar SETuP Program
Graeme Marshall

Major Remote Towns and Remote Communities serviced by Indigenous Essential Services Pty. Ltd.

Major Remote Towns and **Remote Communities** serviced by Indigenous Essential Services Pty. Ltd.



Future Outlook

Tiwi Island Energy Solution

The present electrical network on the Tiwi Islands is approaching its end of life. The communities of Wurrumiyanga, Pirlangimpi and Milikapiti are currently supplied with electricity from three diesel fired power stations.

A \$7.6 million energy solution is proposed. Stage 1 will involve establishing a grid connection between Pirlangimpi to Wurrumiyanga. Stage 2 will involve developing a grid connection between Milikapiti to Wurrumiyanga.

One of the primary drivers behind this proposal is to open up land for development. \$1 billion has been prioritised for Indigenous housing over the next 10 years. Our power stations presently constrain land development, due to noise buffer zone requirements. Closing down power stations will free this land up for development purposes.

After implementation of Stages 1 and 2, two power stations will be closed (Milikapiti and Pirlangimpi), with Pirlangimpi being completely decommissioned and Milikapiti remaining for emergency backup power only.

Power will be supplied from Wurrumiyanga after Stages 1 and 2 are complete. When Stage 3 is implemented then power will be supplied at a yet to be finalised location from a newly built power station.

Securing Safe Water for Barunga

Barunga's current water supply is sourced from a spring north of the community. The water is treated with UV light and chlorine before it is supplied to the community.

Barunga's water supply is vulnerable to seasonal and environmental elements, particularly the easy access buffalo and pigs have to the catchment and the susceptibility of the water to become dirty

during high rainfall periods during the Wet Season. When the water is dirty, the treatment system has trouble eliminating all of the bugs in the water supply.

Power and Water has new bores that have been installed north west of the community. The water from these bores comes from the same underground water accessed via the spring that's north of the community, however, this water is in the ground and further away from the community. The water accessed from this source meets the Australian Drinking Water Guidelines.

Yuelamu Water Supply and Management

Power and Water has had ongoing communication with Yuelamu residents since a toxic blue-green algae was identified in the community's dam that provided a significant part of the town's water supply in December 2015.

Tiwi Island Smart Meter roll out



While water supply for sanitation needs has not been interrupted, residents have been accessing drinking water via a single outlet point in the community. Water quality experts predict that the dam is unlikely to be a safe water source in the future.

The team has been working with the Central Desert Regional Council, Department of Housing and Community Development and Department of Health to ensure there is adequate drinking water available for the residents of Yuelamu.

Investigations to seek an additional water supply for the community to supplement the current bore have been ongoing, however, no suitable additional water source has been identified to date.

The team has also been working with Yuelamu community residents to reduce water consumption across the community. In May 2015, Power and

Water installed smart water meters on all lots in the community to identify leaks and abnormal increases in water use. The smart water meters in the community will continue to be monitored in 2016-17. This has proven effective in reducing excessive water consumption in Yuelamu.

Cloud Forecasting

Power and Water is continuing field trials of state-of-the-art technology to forecast output of solar PV generators. When clouds pass over large PV arrays, the output can drop from full output to 10 per cent of output in a matter of seconds. This could potentially lead to generator and power system instability. If the system operator has advance warning of such an event, appropriate measures can be taken in good time to deal with the power fluctuations. This would lead to much greater efficiency in the use of systems with complementary solar and traditional fuel sources.

Wadeye Power Station Gas Conversion

Wadeye Power Station is a \$12.8 million project that utilises gas as a low emissions, low cost source of power. The project was conceived in 2006 when Power and Water assessed the previous power station as no longer able to meet the needs of the growing community. Construction on the new power station was completed in 2015.

A future benefit of a having a large gas-fired power station in Wadeye is that the surrounding communities of Peppimenarti and Palumpa can be connected by high voltage transmission feeders, which will help realise the full economic and environmental benefits of this project.

Pre-payment meter rollout

After the successful trial of the new metering technology at Daly River in 2014, new meters were deployed to the communities of Wadeye, Milingimbi, Nguiu, Milikapiti, Pirlangimpi, Maningrida, Gunbalanya and Waruwi in 2015-16.

Deployment of the new technology has been accompanied by householder and community engagement, by Power and Water and community engagement contractors including local interpreters. At the end of June 2016, there were 1482 smart pre-payment meters installed, representing 40 per cent of the planned rollout.

All token meters removed during the rollout continue to be tested and reused in communities that are still using the token meters. Currently 950 old token meters have been tested and out of the 950 meters, 800 have passed testing and will be reused.

As part of the next stages of the rollout, Galiwinku, Ramingining, and Gapuwiyak are planned to have the new pre-payment meter deployed by late-2016. The goal is to deploy 2100 new smart prepayment meters across the Northern Territory over the next two years.

Wadeye Gas Power Station



Financial Statements

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Indigenous Essential Services Pty Limited

Directors' report for the year ended 30 June 2016

The Directors present their report together with the financial report of the Indigenous Essential Services Pty Limited (Company) for the year ended 30 June 2016 and the auditor's report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Information about the Directors

The Directors of the Company at any time during or since the end of the financial year were as follows:

Mr Ken Clarke	Director since 1 December 2013 Appointed Chairman 28 July 2015
Mr John Baskerville	Chairman since 28 March 2013 Resigned 27 July 2015
Ms MaryAnn Bin-Sallik	Director since 16 July 2015
Ms Djuna Pollard	Director since 16 July 2015

Company Secretary

Mr Antoni Murphy - appointed 25 July 2014

Company particulars

The Company is an Australian proprietary company, incorporated and operating in Australia.

Principal Registered Office and Principal Place of Business:	Level 2 Mitchell Centre 55 Mitchell Street Darwin NT 0800
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The Company was formed on the 26 June 2003 and commenced operations on 1 July 2003.

Controlling entity

The Company's controlling entity is Power and Water Corporation, a government owned corporation pursuant to the *Government Owned Corporations Act 2001*. Power and Water Corporation provides all of the Company's services, including management and accounting.

Principal activities

The Company's principal activities in the ordinary course of the financial year as a not-for-profit entity were the provision of electricity, water and sewerage services to 72 remote communities and 66 outstations.

The Company's services are provided by Power and Water Corporation staff under a purchaser / provider type agreement with the Department of Local Government and Community Services.

Restatement of prior year balances

As noted in the 2014-15 financial statements, the Company changed the measurement basis for property, plant and equipment (excluding finance leased assets and capital works in progress) from historical cost to fair value using the depreciated replacement cost method effective from 1 July 2014. This change in measurement was applied to all property, plant and equipment with the exception of capital works in progress and finance leased assets. The change in measurement resulted in an increase in the value of the Company's property, plant and equipment reported in the 2014-15 financial statements by \$411.6 million to \$722.4 million.

Indigenous Essential Services Pty Limited

Directors' report for the year ended 30 June 2016

During the valuation exercise, a number of assets with a value of \$242.0 million were identified which were not able to be verified as at the date of authorisation of the 2014-15 financial statements. As a result of this uncertainty, these assets were excluded from the balance of \$722.4 million for property, plant and equipment reported in the 2014-15 financial statements. Of the assets that were excluded from the 2014-15 financial statements, the Company has subsequently verified the existence of a number of these with a value totalling \$163.6 million. Therefore, the Company has restated the 2014-15 comparative balances in the attached financial statements to include these assets. The effect of the change on the 2014-15 comparative balances is a net increase in property, plant and equipment by \$151.9 million, an increase in the asset revaluation reserve of \$163.6 million and an increase in depreciation expense of \$11.7 million.

Refer to note 24 for further details in relation to the restatement of the 2015 comparatives.

Fixed asset rectification project

A number of issues were identified with the Company's asset records following the 2014-2015 change in the measurement basis for property, plant and equipment. Accordingly an improvement program was initiated to address these issues. This improvement program is ongoing and is expected to be completed by 30 June 2017.

Review of operations

The Company made a net loss of \$40.4 million compared to \$45.6 million in 2014-15.

The large losses in the last two years are mainly due to the change in the method of valuing assets from historical cost to depreciated replacement cost. The depreciation expense (non-cash) has risen from \$14.7 million in 2013-14 to \$60.8 million and \$60.0 million in 2014-15 and 2015-16 respectively. The change in the basis of valuation and the consequential increase in depreciation had no effect on the grant funding of IES which is funded on a cash expense or capital spend basis.

The improvement in the net loss of \$5.2 million was due to revenue increasing by \$1.9 million and expenses decreasing by \$3.3 million. The variance in the net loss was driven by the following factors:

- The increase in electricity revenue relates to improved metering accuracy due to the installation of smart meters. Water tariffs increased by 0.8%;
- The increase in the sales of goods was offset by a decrease in rendering of services of \$5.7 million which is due to a decrease in capital grant revenue of \$5.1 million and a decrease in recurrent grant revenue of \$0.9 million;
- Other income increased by \$0.4 million due to increased revenue from capital contributions and recoverable works; and
- Excluding depreciation, there was a small reduction in total expenses of \$2.3 million.

The Company's cash balance at 30 June 2016 was \$26.8 million compared to \$13.6 million for the prior year. The increase in the cash balances was due primarily to receipts from government grants during the year which remain unspent at year end.

Change in state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature, in the opinion of the Directors of the Company, to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Future developments

At the date of this report, there are no developments in the operations of the Company that, in the opinion of the Directors, are likely to significantly impact the Company during the 2017 financial year.

Environmental regulation

The Company's operations are subject to various environmental regulations under both Commonwealth and Territory legislation. The Company regularly monitors compliance with environmental regulations. The Directors are not aware of any significant breaches during the period covered by this report.

Indigenous Essential Services Pty Limited**Directors' report
for the year ended 30 June 2016****Dividends**

As a not-for-profit entity the Company did not declare or pay any dividends during the financial year (2015: nil).

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary course of business. The company is economically dependent on the Northern Territory Government to fund its future expenditure and the continued support from its parent entity, Power and Water Corporation. Refer to Note 2(b) for further details.

Independence declaration under Section 307C of the *Corporations Act 2001*

The Auditor General's declaration of independence is set out on page 6 of the financial report.

Indemnification and insurance of Directors and Officers***Indemnification***


The Northern Territory Government has indemnified the Directors of the Company's controlling entity Power and Water Corporation as well as the Directors of Power and Water Corporation's wholly controlled entity, being the Company, for all liabilities that may arise from their position, except where the liability is incurred or arises out of actual dishonesty on the part of the Director. The indemnity covers the full amount of any such liabilities, including costs and expenses.

Insurance premiums

The following insurance policies were purchased by Power and Water Corporation to cover its Directors and Officers, and those of its subsidiaries. In accordance with normal commercial practices, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums are confidential.

- *Group Personal Accident Insurance*
- *Professional Indemnity Insurance*
- *Directors' and Officers' Liability*

This report is made in accordance with a resolution of Directors pursuant to s.298(2) of the *Corporations Act 2001*.



Mr Ken Clarke
Chairman

Dated at Darwin this 30th day of September 2016



The Board of Directors
Indigenous Essential Services Pty Limited
Level 2, Mitchell Centre
55 – 59 Mitchell Street
Darwin NT 0800

30 September 2016

Dear Board Members,

**Auditor's Independence Declaration to the Directors of Indigenous
Essential Services Pty Limited**

As auditor for the audit of the financial statements of Indigenous Essential Services Pty Limited for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'Julie Crisp'.

Julie Crisp
Auditor General for the Northern Territory
Darwin, Northern Territory



Auditor-General

Independent Auditor's Report to the Members of Indigenous Essential Services Pty Limited

Year Ended 30 June 2016

Page 1 of 2

I have audited the accompanying financial report of Indigenous Essential Services Pty Limited which comprises the statement of financial position as at 30 June 2016, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

The Director's Responsibility 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* 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.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Indigenous Essential Services Pty Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



Auditor-General

Page 2 of 2

Basis for Qualified Opinion

Property, plant and equipment

As at 1 July 2014, the Company changed its accounting policy in relation to the measurement of its property, plant and equipment from historical cost to fair value. The Company commissioned independent valuations to provide a fair value which has resulted in the value of property, plant and equipment reported in the statement of financial position at 30 June 2015 increasing by \$411,602,985 from a written down value of \$332,117,911 as at 30 June 2014. The valuations were performed using depreciated optimised replacement cost. A number of material issues were identified in relation to the valuation process, which have not been resolved.

In applying the valuation to the fixed asset register in the year ended 30 June 2015, the standard asset hierarchy and related asset categories were also updated in the financial management system to align with the asset management system. This process resulted in significant data integrity issues with the fixed asset register for accounting purposes and for tax purposes. The fixed asset register as at 30 June 2015 and as at 30 June 2016 was unable to be reconciled to the general ledger.

As a result of the above, I was unable to obtain sufficient appropriate audit evidence to support the validity, completeness, existence, accuracy, valuation and classification of property, plant and equipment assets and the asset revaluation reserve in the statement of financial position as at 30 June 2015 and 30 June 2016, and depreciation expense, asset impairment and net loss on disposal of property, plant and equipment (included in Other Expenses) in the statement of profit or loss and other comprehensive income for the years ended 30 June 2015 and 30 June 2016.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs:

- (a) the financial report of Indigenous Essential Services Pty Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position at 30 June 2016, and its financial performance and cash flows for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Julie Crisp
Auditor-General for the Northern Territory
Darwin, Northern Territory

30 September 2016

Indigenous Essential Services Pty Limited**Directors' declaration
for the year ended 30 June 2016**

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2016 and its performance for the year then ended; and
 - (ii) complying with Australian accounting standards.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors



Mr Ken Clarke
Chairman

Dated at Darwin this 30th day of September 2016

Indigenous Essential Services Pty Limited**Statement of profit or loss and other comprehensive income
for the year ended 30 June 2016**

	Note	2016 \$	Restated 2015 \$
Revenue from sale of goods	5 (a)	39,402,378	32,149,568
Revenue from rendering of services and government grants	5 (b)	84,075,000	89,758,131
Interest revenue		158,868	379,654
Gifted assets		148,928	-
Other income	5 (c)	2,207,541	1,777,588
Total revenue and income		125,992,715	124,064,941
Raw materials and consumables used		32,300,855	35,242,774
Direct personnel costs	5 (e)	18,404,630	15,957,945
Repairs and maintenance		16,637,241	21,886,991
Corporate allocation costs	5 (f)	14,258,247	12,577,476
Agents - community contract fees		9,748,157	10,863,423
Other expenses	5 (d)	14,930,984	12,158,052
Depreciation and amortisation expenses	9	59,974,573	60,841,181
Finance costs		173,211	150,037
Total expenses		166,427,898	169,677,879
Deficit for the year		(40,435,183)	(45,612,938)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of assets	15	-	575,260,986
Other comprehensive income / (loss) for the year		-	575,260,986
Total comprehensive income / (loss) for the year		(40,435,183)	529,648,048

The Statement of profit or loss and other comprehensive income is to be read in conjunction with the Notes to the financial statements.

Indigenous Essential Services Pty Limited**Statement of financial position
as at 30 June 2016**

	Note	2016 \$	Restated 2015 \$	2014 \$
Assets				
Current assets				
Cash and cash equivalents	6 (a)	26,833,002	13,630,246	27,907,986
Trade and other receivables	7	5,704,650	636,722	385,401
Inventories	8	4,855,816	6,308,513	7,369,065
Other assets		379,034	485,795	98,373
Total current assets		37,772,502	21,061,276	35,760,825
Non-current assets				
Property, plant and equipment	9	840,647,999	874,353,692	332,117,911
Total non-current assets		840,647,999	874,353,692	332,117,911
Total assets		878,420,501	895,414,968	367,878,736
Liabilities				
Current liabilities				
Trade and other payables	10	24,624,975	25,305,551	17,327,098
Unearned revenue	11	29,047,003	5,522,491	14,773,774
Finance lease liability	12	769,035	369,500	792,531
Total current liabilities		54,441,013	31,197,542	32,893,403
Non-current liabilities				
Finance lease liability	12	6,522,504	6,325,259	6,741,213
Total non-current liabilities		6,522,504	6,325,259	6,741,213
Total liabilities		60,963,517	37,522,801	39,634,616
Net assets		817,456,984	857,892,167	328,244,119
Equity				
Contributed equity	13	10	10	10
Retained earnings	14	242,195,988	282,631,171	328,244,109
Asset revaluation reserve	15	575,260,986	575,260,986	-
Total equity		817,456,984	857,892,167	328,244,119

The Statement of financial position is to be read in conjunction with the Notes to the financial statements.

Indigenous Essential Services Pty Limited**Statement of changes in equity
as at 30 June 2016**

	Asset revaluation reserve \$	Retained earnings \$	Contributed equity \$	Total \$
30 June 2015 Restated				
Balance at 1 July 2014	-	328,244,109	10	328,244,119
Deficit for the year	-	(45,612,938)	-	(45,612,938)
Other comprehensive income / (loss) for the year	575,260,986	-	-	575,260,986
Balance at 30 June 2015 Restated	575,260,986	282,631,171	10	857,892,167
30 June 2016				
Balance at 1 July 2015 Restated	575,260,986	282,631,171	10	857,892,167
Deficit for the year	-	(40,435,183)	-	(40,435,183)
Other comprehensive income / (loss) for the year	-	-	-	-
Balance at 30 June 2016	575,260,986	242,195,988	10	817,456,984

The Statement of changes in equity is to be read in conjunction with the notes to the financial statements.

Indigenous Essential Services Pty Limited**Statement of cash flows
for the year ended 30 June 2016**

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		25,607,476	36,546,451
Receipt of government grants		107,854,669	77,603,105
Payments to suppliers		(91,255,285)	(98,266,627)
Interest received		146,545	412,780
Interest paid		(173,211)	(150,036)
Net cash provided by operating activities	6 (b)	<u>42,180,194</u>	<u>16,145,673</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		317,653	-
Purchase of property, plant and equipment		(28,799,151)	(29,249,796)
Net cash used in investing activities		<u>(28,481,498)</u>	<u>(29,249,796)</u>
Cash flows used in financing activities			
Repayment of finance leases		(495,940)	(1,173,618)
Net cash used in financing activities		<u>(495,940)</u>	<u>(1,173,618)</u>
Net increase/(decrease) in cash and cash equivalents		<u>13,202,756</u>	<u>(14,277,741)</u>
Cash and cash equivalents at beginning of year		<u>13,630,246</u>	<u>27,907,987</u>
Cash and cash equivalents at end of year	6 (a)	<u>26,833,002</u>	<u>13,630,246</u>

The Statement of cash flows is to be read in conjunction with the Notes to the financial statements.

Indigenous Essential Services Pty Limited

Notes to the financial statements for the year ended 30 June 2016

1 General information

Indigenous Essential Services Pty Limited (the Company) is a not-for-profit proprietary company operating and domiciled in Australia.

2 Significant accounting policies

The significant accounting policies which have been adopted in the preparation of this report are:

(a) Statement of compliance

These financial statements are general purpose financial statements, which have been prepared in accordance with Accounting Standards and Interpretations and the *Corporations Act 2001*. The Company is a not-for-profit entity for the purpose of financial reporting.

(b) Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain classes of property, plant and equipment and financial instruments, that are measured at revalued amounts or fair value at the end of each reporting date as explained in the accounting policies below.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 'Inventories' or value in use in AASB 136 'Impairment of Assets'.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (i) Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are unobservable inputs for the asset or liability.

Going concern basis

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Company has incurred net losses for 2015-16 and 2014-15 financial years of \$40.4 million and \$45.6 million respectively compared to a net profit in 2013-14 of \$1.4 million. The Company's net working capital at 30 June 2016 and 2015 were deficits of \$16.7 million and \$10.1 million respectively compared to a surplus of \$2.9 million at 30 June 2014. Current liabilities at 30 June 2016 and 2015 include \$24.6 million and \$25.3 million (2014: \$17.3 million) of trade and other payables.

Notwithstanding the indicators noted above, the Company's performance has been significantly impacted by the change in value of its fixed assets from historical cost to depreciated replacement cost. This has significantly increased depreciation expense (non-cash) from \$14.7 million in 2013-14 to \$60.0 million and \$60.8 million in 2015-16 and 2014-15 respectively. Assets are fundamental to the essential services provided by the Company. Accordingly, the Company is economically dependent on the Northern Territory Government to fund its future capital expenditure. In addition, the Company's operating cash flows improved by \$26.1 million to \$42.2 million in 2015-16 from \$16.1 million in 2014-15 although this was supported by the late receipt of capital grant funds in advance of \$22.2 million. Further, to ensure that the Company is able to pay its debts as and when they fall due, a letter of financial support dated 28 October 2015 was received from the parent entity, Power and Water Corporation, which guarantees support should the Company not be able to pay its debts as and when they fall due and is valid for the period from 28 October 2015 to such time as the Company ceases to be a wholly owned subsidiary of Power and Water Corporation.

Accordingly, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

Indigenous Essential Services Pty Limited**Notes to the financial statements
for the year ended 30 June 2016****(c) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised (net of discounts and allowances) when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of goods to the customer. Sale of goods includes estimates for unbilled consumption of electricity and water as at reporting date. For further information on unbilled consumption, refer to note 4 (b) below.

Rendering of sewerage services

Rendering of services relates to the provision of sewerage services. The revenue from the rendering of services is recognised when the service is provided, having regard for the costs incurred in providing those services.

Interest revenue

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is recognised as it accrues.

(d) Government grants

Revenue in the form of government grants is received from the Northern Territory and Commonwealth Governments. Government grants are assistance by the government in the form of transfers of funds to the Company in return for past or future compliance with certain conditions relating to the operating activities of the Company. Government grants also include government assistance where there are no conditions specifically relating to the operating activities of the Company other than the requirement to operate in certain regions or industry sectors.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Where the grant relates to an expense or capital item, it is recognised initially as deferred income in the statement of financial position and recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of the GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority (through Power and Water Corporation) is included as a current asset or liability in the Statement of Financial Position. From 1 July 2003, the Company has been grouped with Power and Water Corporation for GST purposes. Power and Water Corporation is the representative member and lodges the Business Activity Statement on behalf of the Group.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority (through Power and Water Corporation) are classified as operating cash flows.

(f) Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

(g) Income tax

The Company is exempt from income tax as it was removed from the National Tax Equivalent Regime due to it being a not-for-profit entity effective from 1 July 2003.

Additionally, the Company is not subject to taxation as it is a not-for-profit entity and therefore exempt under section 24 of the *Income Tax Assessment Act*.

Indigenous Essential Services Pty Limited**Notes to the financial statements
for the year ended 30 June 2016****(h) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at bank.

(i) Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Loans and receivables

Receivables that have fixed or determinate payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost less any impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Receivables are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past 90 days, as well as the observable changes in economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the estimated future cash flows.

The carrying amount of the receivables are reduced by the impairment loss through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

Indigenous Essential Services Pty Limited**Notes to the financial statements
for the year ended 30 June 2016*****Financial liabilities***Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised as the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(j) Inventories

Inventories are carried at the lower of cost and net realisable value. Costs are assigned to inventory based on the weighted-average purchase cost of bringing each item to its present location and condition. Net realisable value represents the amounts expected to be realised from the use of the inventory.

(k) Property, plant and equipment

Land, buildings and infrastructure assets held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land, buildings and infrastructure assets is recognised in other comprehensive income and accumulated within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land, buildings and infrastructure assets is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Work in progress is measured at cost.

Non-specialised assets such as minor items of office equipment with short useful lives are measured at depreciated historical cost.

Freehold land is not depreciated.

Indigenous Essential Services Pty Limited**Notes to the financial statements
for the year ended 30 June 2016**

Where an asset is acquired at no cost or for nominal value, the cost is recorded at fair value as at the date of acquisition.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and capital works in progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(l) Intangible assets***Intangible assets acquired separately***

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the useful life of the asset. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The Company does not have internally-generated intangible assets.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no further future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is recognised.

(m) Impairment of tangible and intangible assets

At the end of each reporting period the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent basis can be identified.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Indigenous Essential Services Pty Limited**Notes to the financial statements
for the year ended 30 June 2016****(n) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of financial position as a finance lease obligation. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the Statement of profit and loss and other comprehensive income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability and recognised as a reduction of rental expense on a straight line basis.

(o) Comparative amounts

The comparative amounts in the Statement of financial position, Statement of changes in equity and the Statement of profit or loss and other comprehensive income have been restated. Refer to note 24.

Indigenous Essential Services Pty Limited**Notes to the Financial Statements
for the year ended 30 June 2016****3 Application of new and revised Accounting Standards****(a) Amendments to AASB's and the new Interpretation that are mandatorily effective for the current year**

In the current year, the Company has applied the amendment to AASB 1031 issued by the Australian Accounting Standards Board (AASB) that is mandatorily effective for an accounting period that begins on or after 1 July 2015, and therefore relevant for the current year end.

<i>Standard or Interpretation</i>	<i>Nature of Change to Accounting Policy</i>
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'.	This amendment completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn.

The application of this amendment does not have any material impact on the disclosures or the amounts recognised in the Company's financial statements.

(b) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below. The Company does not intend to adopt any of these pronouncements before their effective dates.

<i>Standard or Interpretation</i>	<i>Effective annual reporting periods beginning on or after</i>	<i>Expected to be initially applied in the financial year ending</i>
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers'. AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'. AASB 2015-8 'Amendments to Australian Accounting Standards - Effective date of AASB 15'	1 January 2018	30 June 2019
AASB 16 'Leases'	1 January 2019	30 June 2020
AASB 2014-3 'Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associates or Joint Venture'. AASB 2015-10 'Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128'	1 January 2018	30 June 2019
AASB 2015-1 'Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards - Disclosure Initiative Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-6 'Amendments to Australian Accounting Standards - Extending Related Party Disclosures of Not-for-Profit Public Sector' (AASB 13)	1 July 2016	30 June 2017
AASB 2016-2 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107'	1 January 2017	30 June 2018
AASB 2016-3 'Amendments to Australian Accounting Standards - Clarifications to AASB 15'	1 January 2018	30 June 2019
AASB 2016-4 'Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities' (AASB 136)	1 January 2017	30 June 2018
AASB 2016-5 'Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions'	1 January 2018	30 June 2019

Indigenous Essential Services Pty Limited**Notes to the Financial Statements
for the year ended 30 June 2016**

The following new Standards and Interpretations are not applicable for the Company but are relevant for the period:

AASB 14 'Regulatory Deferral Accounts' and AASB 2014-1 'Amendments to Australian Accounting Standards - Part D: Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts' is not applicable to the Company as the Company is not a first-time adopter of Australian Accounting Standards.

AASB 2014-6 'Amendments to Australian Accounting Standards - Agriculture: Bearer Plants' as the Company does not operate within the Agriculture industry.

AASB 1056 'Superannuation Entities' is not applicable to the Company as the Company is not a superannuation entity.

AASB 2015-5 'Amendments to Australian Accounting Standards - Investment Entities: Applying the Consolidation Exception' as the Company does not have any interests in other entities.

AASB 2016-1 'Amendments to Australian Accounting Standards - Recognition of Deferred Tax Assets for Unrealised Losses' as the Company is exempt from income as it was removed from the National Tax Equivalents Regime effective from 1 July 2003.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Refer below for a discussion of critical accounting judgments and key sources of estimation uncertainty.

(a) Critical judgements in applying accounting policies

There were no critical judgements that the directors of the Company have made in the process of applying the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Useful lives of property, plant and equipment

As described in note 2 (k) above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

During the current year, an extensive exercise to review the useful lives of property, plant and equipment commenced and will be completed during the year ending 30 June 2017. The financial effect of changes, if any, to the useful lives of property, plant and equipment will be reflected in the financial statements for the year ending 30 June 2017.

Indigenous Essential Services Pty Limited**Notes to the Financial Statements
for the year ended 30 June 2016*****Fair value measurements and valuation processes***

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified consultants to perform the valuation.

The Board of Directors of the Company have established an Financial Improvement Program Steering Committee (FIPSC) which is comprised of members from the Audit and Risk Management Committee, Chief Financial Officer, key staff and advisors. As part of the Assets Rectification sub-project in FIP, the FIPSC, with the assistance of independent qualified consultants were charged with determining the appropriate valuation techniques and inputs for fair value measurements.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 9 and 18.

Bundled assets

During the preparation of the Indigenous Essential Services Pty Limited 30 June 2015 financial statements, concern was raised regarding the existence and valuation of approximately 37,000 assets with a net book value of \$242 million. As a result of this uncertainty, the value of these assets were removed from the fixed asset base.

Further analysis has been undertaken to confirm if these are true assets and whether or not they were previously included in the historical fixed asset base before the 2013 asset revaluation and alignment of the fixed asset registers.

The analysis concluded that many of these assets did exist and were previously bundled into other listed assets in the fixed asset base (eg. power poles were previously included in the one overhead cable per Community but were separately valued in the 2013 GHD valuation and are now separately listed in the financial fixed asset register.) When GHD performed the 2013 valuation and verification, these bundled assets were disaggregated and listed separately in the asset register. However, no historical cost was applied to these unbundled assets, making it appear as though they had a status of a "new" asset.

The analysis undertaken to date concludes that assets with a net book value at 30 June 2014 of \$163.6 million were in the existing historical asset base and are to be reinstated into the accounts. See note 24 for further detail of this restatement.

Unbilled revenue

As per accounting standard AASB 118 - 'Revenue', revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Therefore, the Company estimates the amount of electricity and water consumed at reporting date but that is yet to be billed. For further information on revenue recognition, refer to note 2 (c).

Indigenous Essential Services Pty Limited**Notes to the financial statements
for the year ended 30 June 2016**

	2016 \$	Restated 2015 \$
5 Revenue and expenses		
(a) Sale of goods		
Electricity	33,415,878	27,335,549
Water	5,986,500	4,814,019
	<u>39,402,378</u>	<u>32,149,568</u>
(b) Rendering of services and government grants		
Recurrent grant	59,219,813	60,105,106
Capital grant	21,794,023	26,882,069
Services rendered	3,061,164	2,770,956
	<u>84,075,000</u>	<u>89,758,131</u>
(c) Other income		
Capital contributions and recoverable works	1,806,374	1,423,114
Other income	401,167	354,474
	<u>2,207,541</u>	<u>1,777,588</u>
(d) Other expenses		
External service level arrangements	3,099,078	3,323,454
Net loss on disposal of property, plant and equipment	3,454,266	1,768,453
Freight	1,160,865	992,606
Motor vehicle expenses	1,081,919	1,039,471
IT and communication	993,317	712,997
Travel and accomodation	961,021	988,377
Professional fees	660,098	1,493,484
Bad and doubtful debts expense	810,870	107,698
Other	2,709,550	1,731,512
	<u>14,930,984</u>	<u>12,158,052</u>
(e) Direct personnel costs	<u>18,404,630</u>	<u>15,957,945</u>
The direct personnel costs relate to staff who are employed by the parent entity, Power and Water Corporation. These costs are recharged to the Company.		
(f) Corporate allocation costs	<u>14,258,247</u>	<u>12,577,476</u>
This comprises of costs incurred by the Company's parent entity on its behalf and are oncharged to the Company which has been approved by the Boards for both the parent entity and the Company.		

Indigenous Essential Services Pty Limited**Notes to the financial statements
for the year ended 30 June 2016**

	2016	Restated 2015
	\$	\$

6 Cash and cash equivalents**(a) Reconciliation of cash**

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash assets	26,833,002	13,630,246
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The weighted average interest rate on cash assets at 2016 is 1.94% (2015 : 2.01%)

(b) Reconciliation of net deficit to net cash flows from operations

Net deficit	(40,435,183)	(45,612,938)
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Adjustments for:

Depreciation	59,974,573	60,841,181
Gifted assets	(148,928)	-
Net loss on disposal of property, plant and equipment	3,454,266	1,768,453

Changes in assets and liabilities

(Increase)/decrease in inventories	1,452,697	1,060,552
(Increase)/decrease in trade and other receivables	(5,067,928)	(251,321)
(Increase)/decrease in other assets	106,761	(387,426)
(Decrease)/increase in trade and other payables	(680,576)	7,978,453
(Decrease)/increase in unearned revenue	23,524,512	(9,251,281)
Net cash provided by operating activities	42,180,194	16,145,673

7 Receivables**Current**

Receivables	6,491,469	624,994
Less: provision for doubtful debts	(810,870)	-
	5,680,599	624,994
Interest receivable	24,051	11,728
	5,704,650	636,722

Receivables at 30 June 2016 are non-interest bearing. The Company has undertaken a review of the collectibility of all receivables that are over 90 days outstanding and has recognised a provision for doubtful debts for all receivables that are considered not recoverable.

Receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised a provision for doubtful debts because there has not been a significant change on credit quality and the amounts are still considered recoverable.

Age of receivables that are not impaired:

1-30 days	4,818,980	347,957
30 - 60 days	74,800	11,524
60 - 90 days	613,800	80,171
90 + days	197,070	197,070
	5,704,650	636,722

Indigenous Essential Services Pty Limited**Notes to the financial statements
for the year ended 30 June 2016**

	2016 \$	Restated 2015 \$
7 Receivables (cont'd)		
<u>Movement in the provision for doubtful debts:</u>		
Balance at beginning of the year	-	-
Impairment losses recognised on receivables	(810,870)	-
Balance at end of year	<u>(810,870)</u>	<u>-</u>
<u>Age of impaired receivables:</u>		
90 + days	(810,870)	-
	<u>(810,870)</u>	<u>-</u>
8 Inventories		
Distillate stocks	4,855,816	6,308,513
	<u>4,855,816</u>	<u>6,308,513</u>

The cost of distillate recognised as an expense during the year in respect of continuing operations was \$20,051,347 (2015: \$26,635,557).

Indigenous Essential Services Pty Limited
**Notes to the financial statements
for the year ended 30 June 2016**
9 Property, plant and equipment

Movement	Land at fair value	Buildings at fair value	Plant and Equipment at fair value	Finance Leased Land at cost	Intangible Assets at cost	Work in Progress at cost	Total Property, Plant and Equipment
	\$	\$	\$	\$	\$	\$	\$
June 2016							
Fair value	70,428	155,406,463	1,554,151,550	10,828,554	113,050	35,786,009	1,756,356,054
Accumulated depreciation	-	(80,191,508)	(832,664,316)	(2,740,236)	(111,994)	-	(915,708,055)
Written down value	70,428	75,214,955	721,487,234	8,088,318	1,056	35,786,009	840,647,999
June 2015 Restated							
Fair value	70,428	144,114,729	1,550,506,362	9,774,370	113,050	30,608,975	1,735,187,914
Accumulated depreciation	-	(75,190,614)	(783,459,265)	(2,073,255)	(111,088)	-	(860,834,222)
Written down value	70,428	68,924,114	767,047,097	7,701,115	1,962	30,608,975	874,353,692
Movement	Land at fair value	Buildings at fair value	Plant and Equipment at fair value	Finance Leased Land at cost	Intangible Assets at cost	Work in Progress at cost	Total Property, Plant and Equipment
	\$	\$	\$	\$	\$	\$	\$
June 2016							
Opening balance	70,428	68,924,114	767,047,097	7,701,115	1,962	30,608,975	874,353,692
Adjustments	-	(32,951)	191,601	-	-	-	158,650
Additions	-	-	148,928	1,158,633	-	28,640,502	29,948,063
Depreciation	-	(4,967,942)	(54,300,206)	(705,519)	(906)	-	(59,974,573)
Transfer from WIP	-	11,291,735	12,171,733	-	-	(23,463,468)	-
Disposals	-	-	(3,771,919)	(65,912)	-	-	(3,837,831)
Closing balance	70,428	75,214,955	721,487,234	8,088,318	1,056	35,786,009	840,647,999
June 2015 Restated							
Opening balance	70,428	24,615,905	206,388,296	7,973,487	27,405	93,042,389	332,117,911
Transfer/restructure/adjustments	-	5,022,742	(5,022,742)	(36,727)	-	-	(36,727)
Additions	-	-	980,625	334,634	-	28,269,171	29,584,430
Depreciation	-	(4,923,233)	(55,322,225)	(570,279)	(25,443)	-	(60,841,181)
Transfer from WIP	-	6,833,132	83,869,453	-	-	(90,702,585)	-
Disposals	-	(908,103)	(823,625)	-	-	-	(1,731,727)
Revaluation	-	38,283,671	536,977,315	-	-	-	575,260,986
Closing balance	70,428	68,924,114	767,047,097	7,701,115	1,962	30,608,975	874,353,692

Indigenous Essential Services Pty Limited**Notes to the Financial Statements
for the year ended 30 June 2016****9 Property, plant and equipment (cont'd)**

The following useful lives are used in the calculation of depreciation:

Building, plant and equipment and intangible assets	2016	2015
Buildings	8 to 60 years	8 to 60 years
Plant and equipment	1 to 99 years	1 to 99 years
Intangible assets	2 to 4 years	2 to 4 years

Building, plant and equipment situated on finance leased land	2016	2015
Building and improvements	8 to 40 years	8 to 40 years
Plant and equipment	1 to 40 years	1 to 40 years

Reinstatement of plant and equipment as at 30 June 2015

As noted in the Company's financial statements for the year ended 30 June 2015, the Company changed the measurement basis for property, plant and equipment from historical cost to fair value effective from 1 July 2014. As part of the valuation process, a number of assets with a fair value of \$242.0 million were identified that were not included in the asset register as at that date. These assets were excluded from the value of the assets recorded in the financial statements for the year ended 30 June 2015 until an assessment of these assets could be completed.

Following this assessment a number of assets with a net written down value of \$163.6 million have been verified and included in the restated balances for the year ended 30 June 2015. Refer to Note 24 for further details and the effect of the restatement of the 2015 comparatives.

Fair value measurement of the Company's property, plant and equipment (excluding capital works in progress and financed leased assets)

The following valuation techniques are used:

Asset class	Valuation policy	
Land and buildings	Specialised land	Market approach
	Non-specialised land	Market approach
	Office buildings	Market approach
Infrastructure systems	Water and sewerage	Depreciated replacement cost approach
	Electricity generation	Depreciated replacement cost approach
	Electricity distribution and transmission	Depreciated replacement cost approach
Plant and equipment (1)	Non-specialised plant and equipment	Historical cost

(1) Non-specialised assets such as minor items of office equipment are held at historic cost.

The fair value of the freehold land and buildings was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

The fair value of the infrastructure assets was determined using the depreciated replacement cost approach. This reflects the cost to a market participant that would be required to replace the current service capacity of an asset. It represents the current cost of the asset less depreciation and any adjustments that allow a lower cost solution for achieving the current service standard.

The fair value of non-specialised plant and equipment was determined using historical cost as these are minor asset items such as office equipment with short lives (3-5 years.)

Fair value measurement of the Company's freehold land and buildings**As at 30 June 2016**

The Company's assets are stated at the revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Independent valuers, GHD, were engaged to undertake a review of the asset base and factors that formed a material part of the asset valuation calculations for the financial year ending 30 June 2016. Following this review, GHD's opinion was that none of these factors have materially changed and therefore there is no impact to the value of the asset base as at 30 June 2016.

As at 30 June 2015

On 1 July 2014, the Company's freehold land, infrastructure assets and plant and equipment were revalued using the valuation techniques above. The fair value measurements were performed by GHD, independent valuers not related to the Company. GHD has experience in the valuation of water, energy and resources, property and buildings to entities in both the private and public sector.

As at 30 June 2015 the original assumptions applied as at 1 July 2014 were reviewed and the impact of changes to specific assets or relevant markets were calculated to ensure any movements were not material. The assessment concluded that there were material movements in the value of the Company's assets which were reflected in the values recognised as at 30 June 2015.

There have been no changes to the valuation techniques during the year.

Indigenous Essential Services Pty Limited**Notes to the Financial Statements
for the year ended 30 June 2016****9 Property, plant and equipment (cont'd)**

Details of the Company's land, buildings, infrastructure and plant and equipment and information about their fair value hierarchy as at the end of the reporting are as follows:

	Level 2	Level 3	Fair value as at 30 June 2016
	\$	\$	\$
Freehold land	70,428	-	70,428
Buildings	75,214,955	-	75,214,955
Plant and equipment (including infrastructure assets)	-	721,487,234	721,487,234
	<u>75,285,383</u>	<u>721,487,234</u>	<u>796,772,617</u>

	Level 2	Level 3	Fair value as at 30 June 2015
	\$	\$	\$
Freehold land	70,428	-	70,428
Buildings	68,924,114	-	68,924,114
Plant and equipment (including infrastructure assets)	-	767,047,097	767,047,097
	<u>68,994,542</u>	<u>767,047,097</u>	<u>836,041,639</u>

There were no transfers of assets between Level 1 and Level 2 during the year.

Impairment losses recognised in the year

There were no impairment losses recognised in respect of the Company's assets as at 30 June 2016 or 2015.

Indigenous Essential Services Pty Limited**Notes to the financial statements
for the year ended 30 June 2016**

	2016 \$	Restated 2015 \$
10 Trade and other payables		
Payable to controlling entity	14,299,592	12,144,198
Trade payables	3,520,169	5,804,511
Other payables and accruals	6,805,214	7,356,842
	<u>24,624,975</u>	<u>25,305,551</u>

Trade and other payables are non-interest-bearing. The policy of the Company is to settle trade payables within 30 days. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

11 Unearned revenue

Arising from government grants	(1)	27,101,857	261,023
Arising from contributions for recoverable works	(2)	1,945,146	4,870,468
Other		-	391,000
		<u>29,047,003</u>	<u>5,522,491</u>

- (1) The portion of unearned revenue arises as a result of grant funding received from the Northern Territory and Commonwealth Governments to assist the Company in meeting its operational and capital requirements. Revenue is released to the Statement of profit or loss and other comprehensive income as the related operational or capital expenditure is incurred. The large increase is due to advanced capital funding of \$22.2 million received from the Northern Territory Government in the current year for projects to be completed in the 2016-2017 year.
- (2) This unearned revenue arises as a result of funding received from the Northern Territory and Commonwealth Governments as well as from unrelated third parties for specific recoverable works projects undertaken on their behalf. Revenue is released to the Statement of profit or loss and other comprehensive income as the related expenditure is incurred.

Indigenous Essential Services Pty Limited**Notes to the financial statements
for the year ended 30 June 2016****12 Finance lease liabilities***Leasing arrangements*

The Company leased land for its existing infrastructure assets on Indigenous land in 69 Communities throughout the Northern Territory. The lease terms vary between 12 and 40 years with most of them providing the Company with lease extension options.

The present value discount factor used for the minimum lease payments was 4.7% at the inception of the leases in 2013. Leases added in 2016 have been calculated using a present value factor of 2.5%.

Finance lease liabilities

	2016	Restated 2015	2016	Restated 2015
	\$	\$	\$	\$
	Minimum lease payments		Present value of the minimum lease payments	
Not later than one year	905,358	470,427	769,035	369,500
1 to 5 years	3,589,592	3,198,587	2,729,113	2,493,001
Later than 5 years	8,392,346	8,548,955	3,793,391	3,832,258
	<u>12,887,296</u>	<u>12,217,969</u>	<u>7,291,539</u>	<u>6,694,759</u>
Less: future finance charges	(5,595,756)	(5,523,210)	-	-
	<u>7,291,540</u>	<u>6,694,759</u>	<u>7,291,539</u>	<u>6,694,759</u>

Fair value

The fair value of the finance lease liabilities is approximately equal to their carrying amount.

	2016	Restated 2015
	\$	\$

13 Contributed equity*Issued and paid-up share capital*

10 ordinary shares of \$1 fully paid (2015: 10)	10	10
	<u>10</u>	<u>10</u>

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

14 Retained earnings

Retained earnings at beginning of year	282,631,171	328,244,109
Net deficit for the year	(40,435,183)	(45,612,938)
Retained earnings at end of the year	<u>242,195,988</u>	<u>282,631,171</u>

The opening retained earnings balance for 2015-2016 has been restated by \$11.7 million due to depreciation charges incurred relating to 2014-15 as a result of the reinstatement of property, plant and equipment on 1 July 2014. Refer to Note 24 for further details.

Indigenous Essential Services Pty Limited**Notes to the financial statements
for the year ended 30 June 2016**

	2016 \$	Restated 2015 \$
15 Asset Revaluation Reserve		
Balance at beginning of year	575,260,986	-
Increase/(decrease) arising on revaluation of property, plant and equipment	-	575,260,986
Balance at end of year	<u>575,260,986</u>	<u>575,260,986</u>
<p>The asset revaluation reserve arises on the revaluation of property, plant and equipment (assets). When revalued assets are sold, the portion of the assets revaluation reserve that relates to those assets is transferred directly to retained earnings.</p>		
16 Commitments		
<i>Capital expenditure commitments</i>		
Contracted but not provided for and payable: within one year	13,090,394	6,083,342
	<u>13,090,394</u>	<u>6,083,342</u>
17 Operating Lease Arrangements		
<i>The Company as lessee</i>		
<u>Payments recognised as an expense</u>		
Minimum lease payments:		
- Motor vehicles	600,195	609,668
- Land	30,803	58,326
	<u>630,998</u>	<u>667,994</u>

Indigenous Essential Services Pty Limited**Notes to the financial statements
for the year ended 30 June 2016****18 Financial instruments****(a) Financial risk management objectives and policies**

The Company has various financial instruments such as trade receivables and trade payables. It is, and has been, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are liquidity risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

The Company's overall strategy remains unchanged from 2015.

The main risks arising from the Company's financial instruments are:

Market risk	the risk that changes in the market will adversely impact the operations and returns of the Company
Credit risk	the risk of financial loss if a counterparty to a transaction does not fulfil its financial obligations
Liquidity risk	the risk of insufficient funds to fulfil the cash flow obligations on a timely basis
Commodity price risk	the risk that contract prices will move as a result of adverse movements in the market
Interest rate risk	the risk that financing costs will increase and impact prices to customers and returns to the shareholder
Capital risk management	the risk of the group structuring its balance sheet inefficiently resulting in suboptimal returns to shareholders

(b) Market risk

The Company provides electricity, water and sewerage services to remote Indigenous communities in the Northern Territory.

The Company receives grant funding from the Northern Territory Government to construct and maintain assets required to provide electricity, water and sewerage services to remote Indigenous communities in the Northern Territory.

A purchaser / provider agreement between the Company and the Northern Territory Government for the provision of water supply, sewerage and electrical services to remote Indigenous communities in the Northern Territory has been established for a period of three years from 1 July 2013 to 30 June 2016.

The following table sets out the source of the Company's income:

Source of Income	2016		Restated 2015	
	\$	%	%	%
Grant funding	81,013,836	64%	86,987,175	70%
Electricity	33,415,878	27%	27,335,549	23%
Water	5,986,500	5%	4,814,019	4%
Services rendered	3,061,164	2%	2,770,956	2%
Gifted assets	148,928	0%	-	0%
Capital contributions and recoverable works	2,207,541	2%	1,423,114	1%
Interest	158,868	0%	379,654	0%
Other	-	0%	354,474	0%
Total revenue	125,992,715	100%	124,064,941	100%

Indigenous Essential Services Pty Limited**Notes to the financial statements
for the year ended 30 June 2016****18 Financial instruments (cont'd)****(c) Credit risk management**

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on receivables of the Company that has been recognised in the Statement of financial position is the carrying amount net of any provision for doubtful debts.

The Company performs works on behalf of Northern Territory Government agencies and private companies on a recoverable works basis. Funding for general recoverable works is obtained upfront thereby reducing credit risk associated with these transactions.

(d) Liquidity risk management

The Company's objective is to provide continued and reliable services to remote Indigenous communities in the Northern Territory within the grant funding and sales revenue it receives. Each year the Company limits expenditure to the level of grant funding and sales revenue it receives for that year.

(e) Commodity price risk

The Company is exposed to changes in the price of distillate which is used to power electricity generators. Each year grant funding received from the Northern Territory Government is based on an operational budget that includes an estimated cost of distillate consumption. In the event the distillate price varies upwards and the Company does not have sufficient grant funds to continue operating, the Company can apply to the Northern Territory Government for additional grant funds.

(f) Interest rate risk

Interest revenue is incurred solely on the cash balance held by the Company throughout the year. Interest expenses are incurred by the Company in relation to finance lease liability.

(g) Fair values

Net fair values of financial assets and liabilities approximate carrying values.

(h) Capital risk management

The Company's objectives when managing capital are to safeguard the principal business activities as a not-for-profit entity to provide electricity, water and sewerage services to remote Indigenous communities in the Northern Territory.

The capital structure of the Company consists of primarily revalued non-current assets and equity attributable to the equity holder of the Company, comprising contributed capital and retained earnings as disclosed in Notes 13 and 14 respectively.

Operating cash flows are used to maintain and expand the Company's assets.

The Company is not subject to any externally imposed capital requirements.

The Company's overall strategy remains unchanged from prior years.

Indigenous Essential Services Pty Limited

Notes to the financial statements for the year ended 30 June 2016

19 Related party transactions

The immediate parent and ultimate controlling party respectively of the Company are Power and Water Corporation (incorporated in Australia) and the Northern Territory Government.

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year (for information regarding outstanding balances at year end refer to Note 7 and Note 10):

		Revenue from related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
		\$	\$	\$	\$
Related party					
Power and Water Corporation	2016	-	37,696,773	-	14,299,592
	2015	-	32,812,482	-	12,144,198
Northern Territory Government*	2016	84,031,617	2,147,224	26,857,054	29,866,199
	2015	93,223,465	1,125,565	15,360,939	7,679,108

* Excludes Power and Water Corporation

The controlling entity of the Company is Power and Water Corporation, a government owned corporation pursuant to the *Government Owned Corporations Act*. Power and Water Corporation is wholly owned by the Northern Territory Government.

The Company purchases electricity, water and sewerage services from Power and Water Corporation's infrastructure for remote indigenous communities that are able to be connected to this infrastructure rather than requiring stand alone infrastructure. In addition, the Company purchases labour, accounting, computing, human resources, secretarial services and utility services for its operations from Power and Water Corporation.

The Company receives operational and capital grants from the Northern Territory Government enabling it to provide electricity, water and sewerage services to remote Indigenous communities. The Company also receives recoverable works funds for specific projects undertaken on behalf of the Northern Territory Government and unrelated third parties.

20 Economic dependency

During the year the Company received grants from the Northern Territory and Commonwealth Government. The future operation of the Company is dependent upon continued government funding. The Company's revenue is derived from two main sources as follows:

	2016 %	Restated 2015 %
Revenue derived from the Northern Territory Government	66%	70%
Revenue from provision of utility services	34%	30%
	<u>100%</u>	<u>100%</u>

Indigenous Essential Services Pty Limited

Notes to the financial statements for the year ended 30 June 2016

21 Auditor's remuneration

	2016 \$	Restated 2015 \$
Audit services:		
Auditors of the Company - NT Auditor-General	59,289	174,811

22 Key management personnel compensation

Directors

The names of each person holding the position of Director within the Company during the financial year are listed in the Directors' report.

Directors do not receive any compensation for their directorship. No Director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors' interest subsisting at year-end.

Compensation of key management personnel

The Company did not have any employees as at or during the years ended 30 June 2016 and 2015.

23 Events after the reporting period

In the interval between the end of the financial year and the date of this report, there have been no transactions or events of a material or unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Indigenous Essential Services Pty Limited**Notes to the financial statements
for the year ended 30 June 2016****24 Restatement of comparatives**

On 1 July 2014, the Company changed the measurement basis for property, plant and equipment from the historical cost method to the fair value method using the depreciated replacement cost method, effective for the financial year ended 30 June 2015. This change in measurement applies to certain classes of property, plant and equipment. The change to fair value increased the value of the Company's property, plant and equipment by \$411.6 million which was reflected in the financial statements for the year ended 30 June 2015.

In addition to the above, there were additional items of property, plant and equipment at 1 July 2014 with a fair value of \$242.0 million which were not included in the \$722.4 million value reported in the financial statements for the year ended 30 June 2015 due to uncertainty as to their existence at the time of the financial statements being signed by the Directors of the Company. The Company has since been able to verify the existence of items of property, plant and equipment with a fair value of \$163.6 million at 1 July 2014 and a net book value of \$151.9 million at 30 June 2015 after depreciation expense.

As a result of the above, the financial statements for the comparative year has been restated as follows:

	Original 2015 \$	Restated 2015 \$	Difference 2015 \$
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(a) Statement of financial position**Assets****Current assets**

Cash and cash equivalents	13,630,246	13,630,246	-
Trade and other receivables	636,722	636,722	-
Inventories	6,308,513	6,308,513	-
Other assets	485,795	485,795	-
Total current assets	21,061,276	21,061,276	-

Property, plant and equipment

722,431,668 874,353,692 151,922,024

Total non-current assets

722,431,668 874,353,692 151,922,024

Total assets

743,492,944 895,414,968 151,922,024

Liabilities**Current liabilities**

Trade and other payables	25,305,551	25,305,551	-
Unearned revenue	5,522,491	5,522,491	-
Finance lease liability	369,500	369,500	-
Total current liabilities	31,197,542	31,197,542	-

Non-current liabilities

Finance lease liability 6,325,259 6,325,259 -

Total non-current liabilities

6,325,259 6,325,259 -

Total liabilities

37,522,801 37,522,801 -

Net assets

705,970,143 857,892,167 151,922,024

Equity

Contributed equity	10	10	-
Retained earnings	294,367,148	282,631,171	(11,735,977)
Asset revaluation reserve	411,602,985	575,260,986	163,658,001
Total equity	705,970,143	857,892,167	151,922,024

Indigenous Essential Services Pty Limited

Notes to the financial statements
for the year ended 30 June 2016

24 Restatement of comparatives (cont'd)

(b) Statement of changes in equity

	Asset revaluation reserve	Retained earnings	Contributed equity	Total
	\$	\$	\$	\$
30 June 2015 Original				
Balance at 1 July 2014	-	328,244,109	10	328,244,119
Deficit for the year	-	(33,876,961)	-	(33,876,961)
Other comprehensive income for the year	411,602,985	-	-	411,602,985
Balance at 30 June 2015 Original	411,602,985	294,367,148	10	705,970,143
30 June 2015 Restated				
Balance at 1 July 2014	-	328,244,109	10	328,244,119
Deficit for the year	-	(45,612,938)	-	(45,612,938)
Other comprehensive income for the year	575,260,986	-	-	575,260,986
Balance at 30 June 2015 Restated	575,260,986	282,631,171	10	857,892,167
Difference between original and restated 30 June 2015 balances				
Balance at 1 July 2014	-	-	-	-
Deficit for the year	-	(11,735,977)	-	(11,735,977)
Other comprehensive income for the year	163,658,001	-	-	163,658,001
Balance at 30 June 2015 Restated	163,658,001	(11,735,977)	-	151,922,024

(c) Statement of profit or loss and other comprehensive income

	Original 2015	Restated 2015	Difference 2015
	\$	\$	\$
Revenue from sale of goods	32,149,568	32,149,568	-
Revenue from rendering of services	89,758,131	89,758,131	-
Interest revenue	379,654	379,654	-
Other income	1,777,588	1,777,588	-
Total revenue and income	124,064,941	124,064,941	-
Raw materials and consumables used	35,242,774	35,242,774	-
Depreciation and amortisation expenses	49,105,204	60,841,181	11,735,977
Finance costs	150,037	150,037	-
Other expenses	73,443,887	73,443,887	-
Deficit for the year from continuing operations	(33,876,961)	(45,612,938)	(11,735,977)
Deficit for the year	(33,876,961)	(45,612,938)	(11,735,977)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of assets	411,602,985	575,260,986	163,658,001
Other comprehensive income for the year	411,602,985	575,260,986	163,658,001
Total comprehensive income for the year	377,726,024	529,648,048	151,922,024



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