GROOTE ARCHIPELAGO REGIONAL COUNCIL

ABN: 59 704 995 092

Financial Report For The Year Ended

30 June 2025

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Financial Report For The Year Ended 30 June 2025

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GROOTE ARCHIPELAGO REGIONAL COUNCIL

ABN: 59 704 995 092

CHIEF EXECUTIVE OFFICER CERTIFICATE

For The Year Ended 30 June 2025

I, Shane Marshall, the Chief Exceutive Officer of Groote Archipelago Regional Council(the Council), certify that to the best of my knowledge, information and belief:

(a) the accompanying financial statements comply with the *Local Government Act 2019* , *Local Government General Regulations 2021* and Australian Accounting Standards.

(b) the financial statements present a true and fair view of the Council's financial position at 30 June 2025 and the results of its operations and cash flows for the financial year.

(c) internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the year.

(d) the financial statements accurately reflect the Council's accounting and other records of the Council

Signed

Dated 12-11-2025

GROOTE ARCHIPELAGO REGIONAL COUNCIL
ABN: 59 704 995 092
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025	2024
		$	$
INCOME			
Grants and contributions	2A	2,787,248	1,000,000
Interest income		137,579	30,677
Other income		455	-
TOTAL INCOME		2,925,282	1,030,677
EXPENSES			
Employee benefit expense	3A	686,377	-
Materials and contracts	3B	568,212	491,547
Depreciation expense	3C	50,180	-
Other operational expenses	3D	1,318,903	187,774
TOTAL EXPENSES		2,623,672	679,321
NET SURPLUS		**301,610**	**351,356**
OTHER COMPREHENSIVE INCOME			
Transfer of Reserves from de-amalgamation of Councils	12	9,307,583	-
TOTAL OTHER COMPREHENSIVE INCOME		**9,307,583**	**-**
TOTAL COMPREHENSIVE INCOME		**9,609,193**	**351,356**

The accompanying notes form part of these financial statements.

GROOTE ARCHIPELAGO REGIONAL COUNCIL
ABN: 59 704 995 092
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 $	2024 $
ASSETS			
CURRENT ASSETS			
Cash at Bank	4	13,296,219	2,709,184
Trade and Other Receivables	5	112,285	-
Other Assets - Security Deposits		10,932	-
TOTAL CURRENT ASSETS		**13,419,436**	**2,709,184**
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	156,403	-
Right of Use Assets	7	118,277	-
TOTAL NON-CURRENT ASSETS		**274,680**	**-**
TOTAL ASSETS		**13,694,116**	**2,709,184**
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	373,507	220,412
Other Contract Liabilities	9	2,703,885	1,900,000
Employee Provisions	10	216,881	-
Lease Liabilities	11	79,882	-
TOTAL CURRENT LIABILITIES		**3,374,155**	**2,120,412**
NON-CURRENT LIABILITIES			
Employee Provisions	10	80,478	-
Lease Liabilities	11	41,518	-
TOTAL NON-CURRENT LIABILITIES		**121,996**	**-**
TOTAL LIABILITIES		**3,496,151**	**2,120,412**
NET ASSETS		**10,197,965**	**588,772**
EQUITY			
Retained Earnings		1,846,697	588,772
Reserves	12	8,351,268	-
TOTAL EQUITY		**10,197,965**	**588,772**

The accompanying notes form part of these financial statements.

GROOTE ARCHIPELAGO REGIONAL COUNCIL
ABN: 59 704 995 092
STATEMENT OF WORKING CAPITAL
AS AT 30 JUNE 2025

	Note	2025	2024
		$	**$**
ASSETS			
CURRENT ASSETS			
Cash at Bank	4	13,296,219	2,709,184
Trade and Other Receivables	5	112,285	-
Other Assets - Security Deposits		10,932	
TOTAL CURRENT ASSETS		**13,419,436**	**2,709,184**
Less:			
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	373,507	220,412
Contract liabilities	9	2,703,885	1,900,000
Employee Provisions	10	216,881	-
Lease Liabilities	11	79,882	-
TOTAL CURRENT LIABILITIES		**3,374,155**	**2,120,412**
NET CURRENT ASSETS		**10,045,281**	**588,772**
CURRENT RATIO		**3.98**	**1.28**

The accompanying notes form part of these financial statements.

GROOTE ARCHIPELAGO REGIONAL COUNCIL
ABN: 59 704 995 092
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Retained Earnings	Reserve - Provision for Landfill Rehabilitation	Reserve - Replacement and Contingency Reserves	Total Equity
	$	$	$	$
Balance at 1 July 2023	237,416	-	-	237,416
Comprehensive income:				
Surplus for the year	351,356	-	-	351,356
Distributions provided for or paid		-		-
Other comprehensive income for the year	-	-	-	-
Total comprehensive income	351,356	-	-	351,356
Balance at 30 June 2024	**588,772**	**-**	**-**	**588,772**
Balance at 1 July 2024	588,772	-	-	588,772
Comprehensive income:				
Surplus for the year	301,610	-	-	301,610
Other comprehensive income for the year	956,315	327,404	8,023,864	9,307,583
Total comprehensive income	1,257,925	327,404	8,023,864	9,609,193
				-
Balance at 30 June 2025	**1,846,697**	**327,404**	**8,023,864**	**10,197,965**

The accompanying notes form part of these financial statements.

GROOTE ARCHIPELAGO REGIONAL COUNCIL
ABN: 59 704 995 092
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2025

	Note	2025	2024
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grants and contributions receipts		3,589,992	2,900,000
Interest received		119,893	30,677
Payments to suppliers and employees		(2,221,732)	(457,041)
Net cash provided by operating activities	10	**1,488,153**	**2,473,636**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant and equipment	6	(165,276)	-
Net cash (used in) investing activities		**(165,276)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for lease liabilities		(43,425)	-
Transfer of reserves from EARC to GARC	12	9,307,583	-
Net cash provided by financing activities		**9,264,158**	**-**
Net increase in cash held		10,587,035	2,473,636
Cash and cash equivalents at beginning of the financial year		2,709,184	235,548
Cash and cash equivalents at end of the financial year	14	**13,296,219**	**2,709,184**

The accompanying notes form part of these financial statements.

Note 1 Material Accounting Policy Information

The financial statements cover Groote Archipelago Regional Council as an individual entity, incorporated and domiciled in Australia. Groote Archipelago Regional Council is operating pursuant to the NT Local Government Act 2019 and NT Local Government (General) Regulations 2021.

The financial statements were authorised for issue on 13 November 2025 by the Executives of the Council.

Statement of Compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), the requirements of the *Local Government Act 2019* , *Local Government (General) Regulations 2021* and other authoritative pronouncements of the Australian Accounting Standard Board.

Basis of Preparation

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

Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(k) Critical Accounting Judgements, Estimates and Assumptions.

(a) Revenue and Other Income Recognition

The Council recognises revenue as follows :

Operating Grants

Grant revenue is recognised in profit or loss when the Council satisfies the performance obligations stated within the funding agreements.

Funding arrangements which are enforceable and contain sufficiently specific performance obligations are recognised as revenue under AASB15. Otherwise, such arrangements are accounted for under AASB 1058, where upon initial initial recognition of an asset, the Association is required to consider whether any other financial statement elements should be recognised (for example financial liabilities representing repayable amounts), with any difference being recognised immediately in profit or loss as income.

If conditions are attached to the grant which must be satisfied before the Council is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Note 1 Material Accounting Policy Information (Cont.)

(a) Revenue and Other Income Recognition (Cont.)

Capital Grant

When the Council receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Council recognises income in profit or loss when or as the Council satisfies its obligations under the terms of the grant.

Other Income

Other revenue is recognised when it is received or when the right to receive payment is established.

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

(b) Property, Plant and Equipment

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

Motor Vehicles, Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate Life (years)
Plant and Equipment	1- 5 years
Motor Vehicles	1- 5 years

(c) Right of Use Assets

Right of Use Assets are depreciated on a straight line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Council expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life.

Note 1 Material Accounting Policy Information (Cont.)

(d) Impairment of Financial Assets

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

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

(e) Employee Benefits

Retirement benefit obligations
Superannuation benefits
All employees of the Council receive accumulated contribution superannuation entitlements, for which the Council pays the fixed superannuation guarantee contribution to the employee's superannuation fund of choice. For the period 1 July 2022 to 30 June 2024 this was 11% of the employee's ordinary average salary. From 1 July 2024 this rate has increased to 11.5%. All contributions in respect of employees' accumulated contribution entitlements are recognised as an expense when they become payable. The Council's obligation with respect to employees' accumulated contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Council's statement of financial position.

(f) Trade and Other receivables

Trade and other receivables are normally due for settlement within 30 days.

(g) Income Tax

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

(h) Trade and Other Payables

The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Contract Liabilities

Contract liabilities represent the Council's obligation to transfer goods or services to a customer or complete required performance obligations and are recognised when a customer pays consideration, or when the Council recognises a receivable to reflect its unconditional right to consideration (whichever is earlier), before the Council has transferred the goods or services to the customer and or completed required performance obligations.

(j) Provisions

Provisions are recognised when the Council has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

Note 1 Material Accounting Policy Information (Cont.)

(k) Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(i) Useful lives of property, plant and equipment

As described in Note 1(b), the Council reviews the estimated useful lives of property, plant and equipment at the end of each reporting period, based on the expected utility of the assets.

The Council determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(ii) Impairment- General

The Council assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Council that may be indicative of impairment triggers.

Impairment of accounts receivable

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors' financial position. Provision for impairment of receivables at 30 June 2025 amounted to $Nil (2024: $Nil).

(iii) Performance Obligations Under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature / type, cost /value, quantity and the period of transfer related to the goods or services promised.

(iv) Lease Term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the Council will make. The Council determines the likeliness to exercise the options on a lease-by lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the Council.

Note 1 Material Accounting Policy Information (Cont.)

(l) Economic Dependence and Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Council is dependent upon the ongoing receipt of grants from the Commonwealth and Northern Territory Government to ensure the continuance of its activities. At this date of this report management has no reason to believe that Council will not continue to receive funding support from the Government.

(m) New and Amended Accounting Standards and Policies Adopted By The Council

AASB 2022-5: Amendments to Australian Accounting Standards- Lease Liability in a Sale and Leaseback.

AASB 2022-5 amends AASB 16 to add susequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15: Revenue from Contracts with Customers to be accounted for as a sale.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2022-6: Amendments to Australian Accounting Standards - Non-current liabilities with covenants.

The Council adopted AASB 2022-6 Amendments to Australian Accounting Standards - Non-current liabilities with covenants which amends AASB 101 to improve the information an entity provides in its financial statements about liabilities from loan arrangements for which the entity's right to defer settlement of those liabilities for 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2023-3: Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants - Tier 2.

AASB 2023-3 amends AASB 1060 to align the disclosure requirements of Tier 2 entities with the Tier 1 equivalents in AASB 2020-1 and AASB 2022-6AASB 2023-3 amends AASB 1060 to:

(a) Clarify that a liability is classified as non-current if an entity has the right at the reporting date to defer settlement of the liability for at least 12 months after the reporting date;

(b) Clarify the reference to settlement of a liability by the issue of equity instruments in classifying liabilities; and

(c) Require the disclosure of information that enables users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The adoption of the amendment did not have a material impact on the financial statements.

Note 2 Revenue and Other Income

		Note	2025	2024
2A	**Grants and Contributions**		**$**	**$**
	Territory government grants - operational		2,591,133	1,000,000
	Territory government grants - capital		196,115	-
	Total grants and contributions		**2,787,248**	**1,000,000**

Note 3 Expenses

		Note	2025	2024
3A	**Employee Benefit Expense**		**$**	**$**
	Salaries and wages		483,987	-
	Leave and other entitlements		121,350	-
	Superannuation contributions		55,404	-
	Workers compensation		11,860	-
	Other employee costs		13,776	-
	Total employee benefit expense		**686,377**	**-**
3B	**Materials and Contracts**			
	Consultants		490,604	491,547
	Contractors		70,367	-
	Materials		7,241	-
	Total materials and contracts		**568,212**	491,547
3C	**Depreciation**			
	Depreciation Expense - Plant and Equipment		1,033	-
	Depreciation Expense - Vehicles		7,840	-
	Depreciation Expense - Right of Use Asset		41,307	-
	Total depreciation expense		**50,180**	**-**
3D	**Other Operational Expenses**		**$**	**$**
	Accounting and bookkeeping		141,613	42,044
	Advertising, marketing and branding		13,474	-
	Communication		69,526	-
	Election costs		46,018	-
	External audit		30,196	4,000
	Information technology		192,245	1,019
	Insurance		3,401	-
	Interest - lease liabilities		5,241	-
	Leases - operating		13,917	-
	Legal costs		197,094	83,699
	Mayor and councillor payments		62,116	3,600
	Motor vehicle		43,918	-
	Recruitment and relocation		30,469	20,300
	Repairs and maintenance		80,368	-
	Software and hardware purchases		129,608	13,205
	Travel and accommodation		107,589	19,846
	Utilities		15,139	-
	Waste and garbage collection		67,218	-
	Other operational expenses		69,753	61
	Total other operational expenses		**1,318,903**	**187,774**

Note 4 Cash at Bank

CURRENT	Note	2025	2024
		$	$
Cash at Bank		11,246,855	2,709,184
Term Deposit		2,049,364	-
Total Cash at Bank		**13,296,219**	**2,709,184**
Restricted cash and cash equivalents summary			
Purpose			
External restrictions			
Included in liabilities			
Contract liabilities and revenue in advance		2,703,885	1,900,000
Included in revenue		-	300,000
Total external restrictions		2,703,885	2,200,000
Internal restrictions			
Included in liabilities			
Employee leave entitlements		297,359	-
Total external restrictions		297,359	-
Total unrestricted		**10,294,975**	**509,184**
Total Cash Available	14 (a), 18	**13,296,219**	**2,709,184**

Note 5 Trade and Other Receivables

	Note	2025	2024
		$	$
CURRENT			
Receivables :			
Trade receivables		1,596	-
Less: Provision for impairment of receivables		-	-
Total trade receivables		**1,596**	**-**
Other Receivables :			
GST (net) receivable		93,003	-
Accrued interest		17,686	-
Total Other receivables		**110,689**	-
Total current trade and other receivables	18,19	**112,285**	-

The Council's normal credit term is 30 days.

Note 6 Property, Plant and Equipment

	Note	2025	2024
NON CURRENT		**$**	**$**
Vehicles at cost			
At cost		133,346	-
Less Accumulated depreciation		(7,840)	-
		125,506	**-**
Plant and Equipment at cost			
At cost		31,930	-
Less Accumulated depreciation		(1,033)	-
		30,897	**-**
Total Property, Plant and Equipment		**156,403**	**-**

Movements in Carrying Amounts

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

	Motor Vehicles $	Plant and Equipment $	Total $
Carrying amount at 1 July 2024	-	-	-
Additions at cost	133,346	31,930	165,276
Depreciation expense	(7,840)	(1,033)	(8,873)
Carrying amount at 30 June 2025	125,506	30,897	156,403

Note 7 Right of Use Assets

	Note	2025	2024
NON CURRENT		**$**	**$**
Right of Use Assets :			
Leased Buildings		159,584	-
Less Accumulated depreciation		(41,307)	-
		118,277	**-**

The Council's lease portfolio comprise of lease of buildings. The property leases have an average of 2 years as their lease term.

The option to extend or terminate are contained in the property leases of the Council. These clauses provide the Council the opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Council. The extension or termination options which were probable to be exercised have been included in the calculation of the Right of Use Asset.

	ROU $	Total $
Carrying amount at 1 July 2024	-	-
Additions at cost	159,584	159,584
Depreciation expense	(41,307)	(41,307)
Carrying amount at 30 June 2025	**118,277**	**118,277**

(b) AASB 16 Related Amounts Recognised in the Statement of Profit and Loss

	2025 $	2024 $
Depreciation charge related to right of use assets	41,307	-
Interest expense on lease liabilities	5,241	-
Short Term leases expense	13,917	-
	60,465	

Note 8 Trade and Other Payables

		2025 $	2024 $
CURRENT			
Trade creditors		128,598	38,637
Accrued expenditure		209,413	88,668
GST (net) payable		-	93,107
Other payables		35,496	-
Total Trade and Other Payables		373,507	220,412

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

		2025 $	2024 $
Trade and other payables:			
— Total Current		373,507	127,305
— Total Non Current		-	-
Total trade and other payables		373,507	127,305
Financial liabilities as trade and other payables	18,19	373,507	127,305

Note 9 Other Contract Liabilities

	2025 $	2024 $
CURRENT		
Contract Liabilities - unspent specific funding	1,500,000	1,500,000
Contract Liabilities - capital grant funded programs	1,203,885	400,000
	2,703,885	1,900,000
Grants received in advance	-	-
Total Other Contract Liabilities	2,703,885	1,900,000

(b) Contract liabilities - movement in amounts :	2025 $	2024 $
Balance at the beginning of the year	1,900,000	-
Additions: Grants and contributions for which performance obligations will only be satisfied in subsequent years	2,703,885	1,900,000
Expended : Grants acquitted or utilised during the year	(1,900,000)	-
Closing balance	2,703,885	1,900,000

Note 10 Employee Provisions

		2025 $	2024 $
CURRENT			
Provision for annual leave		126,645	-
Provision for long service leave		90,236	-
		216,881	-
NON CURRENT			
Provision for long service leave		80,478	-
		80,478	-
Total provisions for employee benefits		**297,359**	**-**

	Total $
Analysis of total provisions:	
Opening balance at 1 July 2024	-
Increase in provisions during the year (net)	297,359
Balance at 30 June 2025	**297,359**

Note 11 Lease Liabilities

		2025 $	2024 $
CURRENT			
Lease Liabilities		79,882	-
		79,882	-
NON CURRENT			
Lease Liabilities		41,518	-
		41,518	-
Total Lease Liabilities	19	**121,400**	**-**

Note 12 Reserves

	2025 $	2024 $
Provisions and Contingency Reserves		
Movement in Reserve during the year were:		
Opening Balance	-	
Transfers to retained earnings (*)		
Provision for Landfill Rehabilitation	327,404	
Reserves - Replacement and Contingency Reserves	8,023,864	
Closing Balance	**8,351,268**	**-**

*In June 2025, a transfer of reserves as a result of the Council's de-amalgamation from East Arnhem Regional Council (EARC) was agreed upon and completed. $327,404 was transferred for the provision for landfill rehabilitation and $8,023,864 for replacement and contingency reserves. The de-amalgamation also resulted to a transfer of accumulated unrestricted reserves from EARC amounting to $956,315. The total amount transferred from EARC to the Council was $9,307,583.

Note 13 Related Party Transactions

Any persons having authority and responsibility for planning, directing and controlling the activities of the Council, directly or indirectly, including any Councillor (whether executive or otherwise) of the Council, is considered to be Key Management Personnel (KMP).

(i) **Names of the persons holding the position of KMP at the Council at any time during the year are:**

The following Councillors were elected on 28 March 2025:	
Mayor Gordon Walsh	Appointed Mayor on 17 April 2025
Deputy Mayor Gregson Lalara	Appointed Deputy Mayor on 17 April 2025
Councillor Fabian Lalara	
Councillor Kieranson Wurramara	
Councillor Violet Huddlestone	
Councillor Constantine Mamarika	
Councillor Mildred Mamarika	
Chief Executive Officer	
Michael Malouf	Constituting Member of the Prospective Council from 13 December 2023 until 31 March 2025.
Shane Marshall	Commenced employment on 29 November 2024
Executive Management	
Brooke Klara Darmanin, Interim CEO/Executive Officer	External from 1 September 2024 to 20 February
Peter Ball, External CFO	External from 14 December 2023 to 31 May 2025
Kayelene Rynne, Director of Corporate and Financial Services	Commenced employment on 22 April 2025
Wesley van Zanden, Director of Council and Community Services	Commenced employment on 1 May 2025

(ii) **Remuneration of KMP**

The KMP of Council includes the elected members, the CEO, and certain prescribed officers under AASB 124. In all, 12 were paid the following total remuneration (12 KMP in 2024-25).

	2025 $	2024 $
Short-term employee benefits	242,758	
Long-term employee benefits	14,678	
Councillor Allowances	62,115	2,150
External Contractors/Consultants	312,453	492,393
Total Key Management Remuneration	**632,004**	**494,543**

Note 13 Related Party Transactions (Cont.)

(iii) **Other Transactions**

Other than the remuneration paid to KMP detailed in Note 13 (ii), there are no other transactions that have been made with KMP during the year.

(iv) **During the year the Council entered into the following transactions with the related parties:**

	Receving of Services 2025 $	Receving of Services 2024 $
Anindilyakwa Royalties Aboriginal Corporation	2,500	1,221
CouncilBiz	180,067	-
GEBIE Civil and Construction Pty Ltd	86,131	-
GEMCO	35,700	-
Groote Eylandt Aboriginal Trust	13,200	-
Lagulalya Aboriginal Corporation	116,156	-
LGANT Ltd	37,105	-
Warningakalinga Aboriginal Corporation	2,154	-
	473,013	**1,221**

There are no other transactions with KMP and or other related parties in 2025 (2024: Nil).

Note 14 Cash Flow Information

	Note	**2025** **$**	**2024** **$**
(a) Reconciliation of cash and cash equivalents to Statement of Cash Flows :			
Cash at bank	4	13,296,219	2,709,184
Total cash as stated in the Statement of cash flows		13,296,219	2,709,184
(b) Reconciliation of Cash Flow from Operating Activities with Current Year Profit			
(Loss)/ Profit for the current year		301,610	351,356
Non-cash flows:			
Depreciation and amortisation expense		50,180	-
Interest expense on lease liabilities		5,241	-
Changes in assets and liabilities:			
Decrease/(increase) in trade and other receivables		(112,285)	5,868
Decrease/(increase) in other assets		(10,932)	-
Increase/(decrease) in trade and other payables		153,095	216,412
Increase/(decrease) in other contract liabilities		803,885	1,900,000
Increase/(decrease) in employee provisions		297,359	-
Net cash provided by operating activities		**1,488,153**	**2,473,636**

Note 15 Lease and Capital Expenditure Commitments Outstanding

(a) Lease Liability Lease Commitments

	2025	2024
Leasehold rental commitments	$	$
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	228,011	-
One to five years	912,044	-
More than 5 years	3,420,165	-
	4,560,220	**-**

(b) Capital Expenditure Commitments

The Council has capital expenditure commitments of $157,000 as at 30 June 2025 (2024: $Nil).

Note 16 Contingent Liabilities and Contingent Assets

The Council has no Contingent Liabilities and Contingent Assets as at 30 June 2025 (2024:$Nil).

Note 17 Events After the Reporting Period

Council is not aware of any significant events since the end of the reporting period that have significantly affected, or may significantly affect the Council's operations, the results of those operations, or the Council's state of affairs in future financial years.

Note 18 Financial Risk Management

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

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

	Note	2025	2024
Financial assets		$	$
Cash at bank	4	13,296,219	2,709,184
Trade and other receivables	5	112,285	-
Total financial assets		13,408,504	2,709,184
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	8	373,507	127,305
Lease liabilities	11	121,400	-
Total financial liabilities		494,907	127,305

Financial Risk Management Policies

Management is responsible for mentoring and managing the Council's compliance with its risk management strategy. The committee's overall risk management strategy is to assist the Council in meeting its financial targets whilst minimising potential adverse effects on financial performance. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Council is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk. There has been no substantive change in the types of risk the Council is exposed to, how these risks arise, management's objectives, policies and procedures for managing or measuring risks from the previous period.

Note 18 Financial Risk Management (Cont.)

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Council.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Legislative restrictions on Council's investment powers effectively limit investments to financial instruments issued or guaranteed by Australian Governments, banks and authorised deposit taking institutions. Rates and other receivables are monitored on an ongoing basis with the result that the Council's exposure to bad debts is not significant.

The Council has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 5.

b. Liquidity risk

Liquidity risk arises from the possibility that the Council might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Council manages this risk through the following mechanisms:

> preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities.

> maintaining short term investments to cater for unexpected volatility in cash flows.

> monitoring the ageing of receivables and payables.

> maintaining a reputable credit profile.

> managing credit risk related to financial assets.

> only investing surplus cash with major financial institutions.

c. Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Council is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the Council to interest rate risk are limited to cash and cash equivalents.

The Council also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

(ii) Sensitivity analysis

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

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

	2025	**2024**
	$	**$**
Surplus $		
(+/- 1% in interest rates)	80,027	14,724

No sensitivity analysis has been performed on foreign exchange risk as the entity has no material exposures.

Refer to Note 14 for detailed disclosures regarding the fair value measurements of the Council financial assets.

Note 19 Fair Values Measurements

Fair value estimation

The Council measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income; and
- freehold land and buildings.

The Council does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities on a non-recurring basis.

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

		2025		2024	
	Note	Carrying Amount $	Fair Value $	Carrying Amount $	Fair Value $
Financial assets					
Cash on hand and at bank	4,18	13,296,219	13,296,219	2,709,184	2,709,184
Trade and other receivables	5,18	112,285	19,282	-	-
Total financial assets		13,408,504	13,315,501	2,709,184	2,709,184
Financial liabilities					
Trade and other payables	8,18	373,507	373,507	127,305	127,305
Lease liabilities	11,18	121,400	121,400	-	-
Total financial liabilities		494,907	494,907	127,305	127,305

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

(ii) Lease liabilities fair values are assessed on an annual basis by Management and the Directors . Current available data is used in assessing their carrying and fair values.

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

(a) in the principal market for the asset or liability; or

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

Note 20 Auditor's Fees

	2025	2024
Audit of the Financial Report:	**$**	**$**
Audit Fees	30,000	4,196

Note 21 Council Details

Groote Archipelago Regional Council was established by the Minister for Local Government on 16 August 2022 with the name Warnindilyakwa Regional Council, under section 19 of the Local Government Act 2019 (NT). On 18 July 2023, the Minister amended the name to Groote Archipelago Regional Council. The Council was declared on 1 April 2025.

The Principal place of business is:

Unit 3/21 Parap Road
Parap NT 0820

Note 22: Functions

	General Public Services		Public Order & Safety		Recreation, Culture & Religion	
	Actuals	**Budget**	**Actuals**	**Budget**	**Actuals**	**Budget**
Grants and contributions	2,382,115	3,591,133	-	-	290,800	-
Interest income	137,579	79,005	-	-	-	-
Other income	455	-	-	-	-	-
Total income	**2,520,149**	**3,670,138**	**-**	**-**	**290,800.00**	**-**
Capital purchases	40,800	-	-	-	-	-
Depreciation	50,180	3,516	-	-	-	-
Election costs	46,018	46,018	-	-	-	-
Employee benefit costs	684,377	746,303	2,000	-	-	-
Insurance	3,381	-	20	-	-	-
Materials and contracts	568,022	25,008	98	-	92	-
Mayor and councillor payments	62,115	129,470	-	-	-	-
Motor vehicle	42,463	-	909	-	-	-
Repairs and maintenance	78,712	-	-	-	-	-
Travel and accommodation	107,495	-	94	-	-	-
Other operational expenses	904,714	1,314,325	-	-	1,606	-
Total expenses	**2,588,277**	**2,264,640**	**3,121**	**-**	**1,698**	**-**
Net surplus/(deficit)	(68,128)	1,405,499	(3,121)	-	289,102	-
Add/(deduct) tfr to reserves						
	(68,128)	**1,405,499**	**(3,121)**	**-**	**289,102**	**-**

	Social Protection		Housing & Community Amenities		Environmental Protection	
	Actuals	**Budget**	**Actuals**	**Budget**	**Actuals**	**Budget**
Grants and contributions	-	-	-	-	114,333	-
Interest income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total income	**-**	**-**	**4,979,194**	**-**	**114,333**	**-**
Capital purchases	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Election costs	-	-	-	-	-	-
Employee benefit costs	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Materials and contracts	-	-	-	-	-	-
Mayor and councillor payments	-	-	-	-	-	-
Motor vehicle	545	-	-	-	-	-
Repairs and maintenance	-	-	1,657	-	-	-
Travel and accommodation	-	-	-	-	-	-
Other operational expenses	25,214	-	3,160	-	-	-
Total expenses	**25,759**	**-**	**4,817**	**-**	**-**	**-**
Net surplus/(deficit)	(25,759)	-	(4,817)	-	114,333	-
Add/(deduct) tfr to reserves						
	(25,759)	**-**	**(4,817)**	**-**	**114,333**	**-**

Note 22: Functions (Cont.)

The activities relating to the Council functions reported in Note 22 are as follows:

General Public Services
Administrative, legal and executive affairs, financial and fiscal affairs, parks, gardens and general services.

Housing and Community Amenities
Housing, community development, water supply and street lighting.

Public Order and Safety
Animal management, environmental health and night patrol.

Recreation, Culture and Religion
Facilities and venues, recreation, culture and religion services, museums and libraries.

Social Protection
Outlays on day car services, family day care, occasional care and outside school hours care and aged services.

Environmental Protection
Cemetaries, waste management, domestic waste, green waste, recycling, waste disposal facility, other waste and environment management.

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INDEPENDENT AUDITOR'S REPORT

To the Chief Executive Officer of Groote Archipelago Regional Council

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Groote Archipelago Regional Council (the Council), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, and the Chief Executive Officer's certificate.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of Groote Archipelago Regional Council as at 30 June 2025, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Northern Territory Local Government (Accounting) Regulations*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the *Northern Territory Local Government Act (2019)* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Chief Executive Officer for the Financial Report

The Chief Executive Officer of the Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Northern Territory Local Government Act 2019* and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

This description forms part of our auditor's report.

BDO

BDO Audit (NT)

Casmel Taziwa
Partner
Darwin, 14 November 2025