BAWINANGA ABORIGINAL CORPORATION

ABN: 58 572 395 053

Financial Report For The Year Ended

30 June 2021

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Financial Report For The Year Ended 30 June 2021

CONTENTS **Page**

BAWINANGA ABORIGINAL CORPORATION
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Directors' Report

Your board of directors submit the financial report on the Bawinanga Aboriginal Corporation for the financial year ended 30 June 2021.

Directors

The names of each person who has been a director during the year and to the date of this report are:

List of directors:
Oliver Ankin
Valda Bokmakarray (secretary)
Phyllis Dundunga
Walter Raymond Grimshaw (non member director)
David Jones
Wayne Kalakala (chairman)
Caroline Salisbury Marsh (non member director)
Julius Kernan (deputy chairman)
Cynthia Brown (elected Nov 20)
Cindy Jinmarbynama (resigned Apr 21)
Janet Marawarr (resigned Nov 2020)
Dion Cooper (resigned July 2020)
Victor Rostron (resigned July 2020)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The Corporation was established for the relief of poverty, destitution, helplessness and distress of Aboriginal and Torres Straight Islander people. The Objectives of the Corporation are:

• to promote the maintenance of language, culture and traditional practice;
• to promote the sustainable use of traditional lands;
• to promote community development;
• to promote the welfare of residents;
• to provide or assist in the provision and maintenance of education, employment, housing, health, communications and other services;
• to foster business opportunities and to promote economic independence;
• to operate and maintain a gift fund to be known as 'The Bawinanga Aboriginal Corporation Gift Fund' in accordance with the requirements of the Income Tax Assessment Act 1997; and
• to promote, in all its endeavors, the common good and mutual benefit of its members through fair, equitable and representative action and enterprise.

Significant Changes

No significant changes in the nature of the Corporation's activities occurred during the year.

Operating Result

The operating profit for the year amounted to $6,526,284 (2020: Profit of $2,780,439).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 2 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

Director ______________ Date: 17th day of September 2021

Director VALDA. BOKMAKARRAY Date: 17th day of September 2021

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BAWINANGA ABORIGINAL CORPORATION

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations (Aboriginal and Torres Strait Islander) Act 2006 and the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit: and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

LBW Business & Wealth Advisors

Sripathy Sarma
Principal

Dated this 17th day of September 2021

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BAWINANGA ABORIGINAL CORPORATION
ABN: 58 572 395 053
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		$	$
Revenue			
Revenue from government and other grants		8,710,671	7,824,292
Trading income		7,262,226	4,611,268
Other income		9,507,929	9,157,325
Total Revenue and Other Income		**25,480,825**	**21,592,885**
Expenses			
Depreciation expenses	2a	1,360,524	1,241,410
Employee benefit expenses	2b	10,068,655	10,175,988
Interest expense		136,841	114,158
Motor vehicle expenses		645,155	841,407
Utilities expense		458,133	501,851
Staff training and development expense		184,266	128,009
Audit legal and consultancy fees		1,001,879	1,353,599
Materials and contractors		3,522,460	2,362,553
Other expenses		1,576,628	2,093,471
Total expenses		**18,954,541**	**18,812,446**
Net current year profit / (loss)		**6,526,284**	**2,780,439**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss :			
		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income for the year		6,526,284	2,780,439
PROFIT / (LOSS) ATTRIBUTABLE TO MEMBERS OF THE CORPORATION		**6,526,284**	**2,780,439**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE CORPORATION		**6,526,284**	**2,780,439**

The accompanying notes form part of these financial statements.

BAWINANGA ABORIGINAL CORPORATION
ABN: 58 572 395 053
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021	2020
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	16,014,634	12,070,344
Trade and other receivables	4	1,103,525	833,518
Inventories	5	1,594,543	1,327,974
Other assets	6	536,994	552,663
TOTAL CURRENT ASSETS		**19,249,697**	**14,784,499**
NON-CURRENT ASSETS			
Financial assets	7	2	2
Property, plant and equipment	8	6,735,278	6,148,624
Right of use assets	9	1,707,066	1,409,959
TOTAL NON-CURRENT ASSETS		**8,442,346**	**7,558,585**
TOTAL ASSETS		**27,692,043**	**22,343,084**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	1,794,262	3,615,497
Grants received in advance		3,063,446	2,595,557
Lease liabilities	11	179,539	180,522
Employee provisions	12	688,949	608,245
TOTAL CURRENT LIABILITIES		**5,726,197**	**6,999,821**
NON-CURRENT LIABILITIES			
Lease liabilities	11	1,376,531	1,262,032
Employee provisions	12	76,382	94,582
TOTAL NON-CURRENT LIABILITIES		**1,452,913**	**1,356,614**
TOTAL LIABILITIES		**7,179,110**	**8,356,435**
NET ASSETS		**20,512,933**	**13,986,649**
EQUITY			
Retained earnings		20,512,933	13,986,649
TOTAL EQUITY		**20,512,933**	**13,986,649**

The accompanying notes form part of these financial statements.

BAWINANGA ABORIGINAL CORPORATION
ABN: 58 572 395 053
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Retained Earnings	Total Equity
		$	$
Balance at 1 July 2019		11,206,210	11,206,210
Comprehensive income:			
Net profit for the year		2,780,439	2,780,439
Other comprehensive income for the year		-	-
Total comprehensive income attributable to Members of the Corporation for the year		2,780,439	2,780,439
Balance at 30 June 2020		13,986,649	13,986,649
Balance at 1 July 2020		13,986,649	13,986,649
Comprehensive income:			
Net profit for the year		6,526,284	6,526,284
Other comprehensive income for the year		-	-
Total comprehensive income attributable to Members of the Corporation for the year		6,526,284	6,526,284
Balance at 30 June 2021		20,512,933	20,512,933

The accompanying notes form part of these financial statements.

BAWINANGA ABORIGINAL CORPORATION
ABN: 58 572 395 053
STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers, government and other		25,647,522	21,199,173
Payments to suppliers and employees		(19,451,345)	(16,703,849)
Interest received		31,185	95,117
Net cash provided by / (used in) operating activities	16	**6,227,362**	**4,590,441**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Payment for property, plant and equipment		(1,765,722)	(1,230,980)
Net cash (used in) investing activities		**(1,765,722)**	**(1,230,980)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan repayment		-	(24,588)
Payments for lease liabilities		(517,350)	(337,678)
Net cash provided by / (used in) financing activities		**(517,350)**	**(362,266)**
Net increase / (decrease) in cash held		3,944,290	2,997,195
Cash and cash equivalents at beginning of the financial year		12,070,344	9,073,149
Cash and cash equivalents at end of the financial year	16	**16,014,634**	**12,070,344**

The accompanying notes form part of these financial statements.

The financial statements cover Bawinanga Aboriginal Corporation as an individual entity, incorporated and domiciled in Australia. Bawinanga Aboriginal Corporation is operating pursuant to the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act) and the *Australian Charities and Not for Profits Commission Act 2012* (ACNC Act).

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

Bawinanga Aboriginal Corporation applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* .

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) ,the *CATSI Act 2006* and the Australian Charities and Not-for-profits Commission *Act 2012* . The Corporation is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

Accounting Policies

(a) Revenue

The Corporation has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities(AASB1058).

Contributed Assets

The Corporation receives assets from the government and other parties for Nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the Corporation recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Corporation recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amounts.

Note 1 Summary of Significant Accounting Policies (Cont.)

(a) Revenue and Other Income (Cont.)

Operating Grants, Donations and Bequests

When the Corporation receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Corporation :

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

When the contract is not enforceable or does not have sufficiently specific performance obligations, the Corporation:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (AASB 9, AASB 116 and AASB138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Corporation recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant

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

Interest Income

Interest income is recognised using the effective interest method.

Dividend Income

The Corporation recognises dividends in profit or loss only when the right to receive payment is established.

Income from Sale of Goods

The Corporation sells products within the community. Revenue is recognised when control of the products has transferred to the customer. For such transactions, this is when the products are delivered to the customers.

A receivable will be recognised when the goods are delivered. The Corporation's right to consideration is deemed unconditional at this time as only the passage of time is required before payment of that consideration is due. There is no significant financing component because sales are made within a credit term of 30 to 45 days.

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

Note 1 Summary of Significant Accounting Policies (Cont.)

(b) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

(c) 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.

In periods when the Freehold Land and Buildings are not subject to an independent valuation, the Directors conduct Directors' valuations to ensure the carrying amount for the Land and Buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of Land and Buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold Land and Buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Note 1 Summary of Significant Accounting Policies (Cont.)

(c) Property, Plant and Equipment (Cont.)

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. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

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**
Buildings	2.5%
Plant and equipment	5-30%
Motor vehicles	10-40%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Leases

The Corporation as Lessee

At inception of a contract, the Corporation assess if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Corporation where the Corporation is a lessee. However all contracts that are classified as short term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating lease on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Corporation uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows :

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Note 1 Summary of Significant Accounting Policies (Cont.)

(d) Leases (Cont.)

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Corporation anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below market terms and conditions principally to enable the Corporation to further its objectives (commonly known as peppercorn / concessionary leases), the Corporation has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Corporation becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Corporation commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in *AASB 15: Revenue from Contracts with Customers.*

Classification and Subsequent Measurement

Financial liabilities

Financial liabilities are subsequently measured at:
- amortised cost; or
- fair value through profit or loss.

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

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

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:
- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Note 1 Summary of Significant Accounting Policies (Cont.)

(e) Financial Instruments (Cont.)

Financial assets

Financial assets are subsequently measured at:

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

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

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

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

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

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

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

The Corporation initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

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

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Corporation made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.
Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Corporation's accounting policy.

Derecognition

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

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.
The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Note 1 Summary of Significant Accounting Policies (Cont.)

(e) Financial Instruments (Cont.)

Derecognition of financial assets

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

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

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

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

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

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

Impairment

The Corporation recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

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

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Corporation uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Corporation assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the Corporation measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

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

This approach is applicable to:

- trade receivables; and
- lease receivables.

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 (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Note 1 Summary of Significant Accounting Policies (Cont.)
(e) Financial Instruments (Cont.)

Purchased or originated credit-impaired approach
For financial assets that are considered to be credit-impaired (not on acquisition or originations), the Corporation measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:
- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach
If a financial asset is determined to have low credit risk at the initial reporting date, the Corporation assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Corporation applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.
A financial asset is considered to have low credit risk if:
- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements
At each reporting date, the Corporation recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(f) Impairment of Assets
At the end of each reporting period, the Corporation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

Note 1 Summary of Significant Accounting Policies (Cont.)

(g) Employee Benefits

Short-term employee benefits

Provision is made for the Corporation's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Corporation's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

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

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the Corporation receive defined contribution superannuation entitlements, for which the Corporation pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's ordinary average salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Corporation's obligation with respect to employees' defined 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 Corporation's statement of financial position.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Trade and Other Debtors

Trade and other debtors include amounts due from clients for fees and goods and services provided, from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for measurement. Refer to Note 1(e) for further discussions on the determination of impairment losses.

(j) Contract Assets

Contract assets are recognised when the Corporation has transferred goods or services to the customer and or completed required performance obligations, but has yet to establish unconditional rights to consideration. Contract assets are treated as financial assets for impairment purposes.

Note 1 Summary of Significant Accounting Policies (Cont.)

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(l) 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* .

(m) Trade and Other Payables

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

(n) Contract Liabilities

Contract liabilities represent the Corporation'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 Corporation recognises a receivable to reflect its unconditional right to consideration (whichever is earlier), before the Corporation has transferred the goods or services to the customer and or completed required performance obligations.

(o) Provisions

Provisions are recognised when the Corporation 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.

(p) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Note 1 Summary of Significant Accounting Policies (Cont.)

(q) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Corporation.

Key Estimates

(i) Useful lives of property, plant and equipment

As described in Note 1(c), the Corporation 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.

(ii) Impairment- General

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

(iii) Impairment of leasehold improvements and plant and equipment

The Corporation assesses impairment of leasehold improvements and plant and equipment at each reporting date by evaluating conditions specific to the Corporation and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions. There was no provision for impairment of leasehold improvements and plant and equipment at 30 June 2021 (2020: $Nil).

(iv) 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 2021 amounted to $153,833 (2020: $234,7698).

Key judgments

(i) 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.

(ii) Coronavirus (COVID-19) Pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Corporation based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Corporation operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Corporation unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Note 1 Summary of Significant Accounting Policies (Cont.)

(r) Fair Value of Assets and Liabilities

The Corporation measures some of its assets at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Corporation would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

"Fair value" is the price the Corporation would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie. unforced) transactions between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Corporation's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

(s) Economic Dependence

The Corporation is dependent on the support of Maningrida Community and Government for the majority of its revenue to operate its programs and business. At the date of this report, the Board of Directors has no reason to believe that the community or government will not continue to support the Corporation. The operations and future success of the Corporation is dependent upon the continued support and funding and the achievement of operating surpluses and positive operating cash flows.

Note 2 Expenses

	2021 $	2020 $
(a) Depreciation and amortisation:		
– Buildings	147,062	146,185
– Plant and equipment	530,901	436,159
– Motor vehicles	431,567	384,955
– Right of use assets	250,995	274,111
Total depreciation and amortisation	1,360,524	1,241,410
(b) Employee benefits expenses:		
— Staff remuneration expenses	9,134,032	9,092,728
— Contributions to defined contribution superannuation funds	934,623	1,083,260
Total employee benefits expense	10,068,655	10,175,988

Note 3 Cash and cash equivalents

	Note	2021 $	2020 $
CURRENT			
Cash at bank		15,826,268	11,717,202
Cash on hand		188,366	353,142
Total cash and cash equivalents	16(a), 17	16,014,634	12,070,344

		Note	2021 $	2020 $
Note 4	**Trade and other receivables**			
	CURRENT			
	Receivables :			
	Trade receivables		1,257,358	1,068,287
	Less :Provision for impairment of receivables		(153,833)	(234,769)
	Total trade receivables		1,103,525	833,518
	Total current trade and other receivables	17	1,103,525	833,518

The Corporation's normal credit term is 30 days.
No collateral is held over trade and other receivables.

4(a) Provision for doubtful debts
Movement in the provision for doubtful debts is as follows:

Provision for doubtful debts as at 1 July 2019	331,508
— Charge for year	(96,739)
— Written off	-
Provision for doubtful debts as at 1 July 2020	234,769
— Charge for year	(80,936)
— Written off	-
Provision for doubtful debts as at 30 June 2021	153,833

		Note	2021 $	2020 $
Note 5	**Inventories**			
	CURRENT			
	Inventory on hand at cost		1,594,543	1,327,974
	Total inventory		1,594,543	1,327,974

		Note	2021 $	2020 $
Note 6	**Other Assets**			
	CURRENT			
	Accrued income		123,244	421,803
	Prepayments		217,754	96,353
	Undeposited funds		161,489	-
	Security deposit		34,507	34,507
	Total other assets		536,994	552,663

		Note	2021 $	2020 $
Note 7	**Financial assets**			
	NON CURRENT			
	Shares - Traditional Credit Union		2	2
	Total financial assets		2	2

Note 8 Property, plant and equipment

	Note	2021 $	2020 $
BUILDINGS			
Buildings			
At cost		6,416,862	6,320,453
Less Accumulated depreciation		(3,698,989)	(3,551,927)
Total buildings		2,717,873	2,768,526
PLANT AND EQUIPMENT			
Plant and equipment:			
At cost		5,595,983	4,789,373
Less Accumulated depreciation		(3,099,384)	(2,592,730)
		2,496,599	2,196,643
Motor vehicles:			
At cost		2,790,703	2,695,459
Less Accumulated depreciation		(1,481,716)	(1,512,004)
		1,308,986	1,183,455
Total plant and equipment & vehicles		3,805,586	3,380,098
Work in progress		211,820	-
Total property, plant and equipment		6,735,278	6,148,624

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:

	Work in progress	Buildings $	Plant and Equipment $	Motor Vehicles $	Total $
Carrying amount at 1 July 2020	-	2,768,526	2,196,643	1,183,455	6,148,624
Revaluations (increments)	-	-	-	-	-
Additions at cost	211,820	96,409	831,926	625,567	1,765,722
Net disposals	-	-	(1,069)	(68,470)	(69,539)
Depreciation expense	-	(147,062)	(530,901)	(431,567)	(1,109,529)
Carrying amount at 30 June 2021	211,820	2,717,873	2,496,599	1,308,986	6,735,278

Note 9 Right of use assets	Note	2021 $	2020 $
(a) AASB 16 related amounts recognised in the balance sheet			
Right of use assets			
Leased buildings		2,737,525	2,927,984
Less accumulated depreciation		(1,030,459)	(1,518,025)
		1,707,066	1,409,959
Total right of use assets		1,707,066	1,409,959

The Corporation's lease portfolio includes buildings.

There were no extension options for buildings. These clauses provide the Corporation the opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Corporation. The extension or termination options which were probable to be exercised have been included in the calculation of the right of use asset.

Movements in carrying amounts

	Leased Buildings $
Carrying amount at 1 July 2020	1,409,959
Additions at cost	548,103
Depreciation expense	(250,995)
Carrying amount at 30 June 2021	1,707,066

(b) AASB 16 related amounts recognised in the statement of profit and loss

	2021 $	2020 $
Depreciation charge related to right of use assets	250,995	274,111
Interest expense on lease liabilities	92,089	96,160
	343,084	370,271

Note 10 Trade and other payables

	Note	2021 $	2020 $
CURRENT			
Trade payables		812,759	1,305,836
Accrued expenses		676,180	802,946
Other payables		91,148	327,368
GST payable (net amount of GST payable)		214,175	1,031,339
Department of the Prime Minister and Cabinet		-	148,008
Total trade and other payables		1,794,262	3,615,497

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

	Note	2021 $	2020 $
Trade and other payables:			
— Total current		1,794,262	3,615,497
— Total non current		-	-
Total trade and other payables		1,794,262	3,615,497
Less:			
— Other payables (net amount of GST payable)		(214,175)	(1,031,339)
Financial liabilities as trade and other payables	17	1,580,087	2,584,158

Note 11 Lease Liabilities

	Note	2021 $	2020 $
CURRENT			
Leases - properties		179,539	180,522
		179,539	180,522
NON-CURRENT			
Leases - properties		1,376,531	1,262,032
		1,376,531	1,262,032
Total Lease Liabilities	17	1,556,070	1,442,554

The lease liabilities are secured by the underlying assets and are subject to the terms of their individual lease agreements.

Note 12 Employee Provisions

	Note	2021 $	2020 $
CURRENT			
Provision for employee benefits: annual leave		556,390	496,380
Provision for employee benefits: long service leave		2,834	107,435
Provision for employee benefits: time off in lieu		129,725	4,430
		688,949	608,245
NON-CURRENT			
Provision for employee benefits: long service leave		76,382	94,582
		76,382	94,582
Total provisions for employee benefits		765,331	702,827

Analysis of total provisions:	**Total**
Opening balance at 1 July 2020	702,827
Additional provisions raised during the year	659,351
Amounts used during the year	(596,847)
Balance at 30 June 2021	765,331

Provision For Employee Benefits
Employee provisions represents amounts accrued for annual leave and long service leave.

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

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Note 13 Capital and Leasing Commitments

(a) Capital Expenditure Commitments

The Corporation has no capital expenditure commitments as at 30 June 2021 (2020:$Nil).

Note 14 Contingent Liabilities and Contingent Assets

The Board is not aware of any contingent liabilities or assets as at 30 June 2021 (2020:$Nil).

Note 15 Events After the reporting period

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Corporation's operations, the results of those operations, or the Corporation's state of affairs in future financial years.

Note 16 Cash flow information

	Note	2021 $	2020 $
(a) Reconciliation of cash and cash equivalents to statement of cash flows :			
Cash on hand and cash equivalents	3	16,014,634	12,070,344
Total cash as stated in the statement of cash flows		16,014,634	12,070,344
(b) Reconciliation of cash flow from operating activities with current year profit /(loss)			
Profit/(loss) for the current year		6,526,284	2,780,439
Non-cash flows:			
Depreciation and amortisation expense		1,360,524	1,241,410
Loss on disposal of assets		60,214	-
(Decrease) in provision for impairment of receivables		(80,936)	(96,739)
Interest expense on lease liabilities		92,089	96,160
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(189,071)	589,254
(Increase)/decrease in inventories on hand		(266,569)	104,577
(Increase)/decrease in other current assets		15,669	(479,531)
Increase/(decrease) in accounts payable and other payables		(1,821,235)	1,259,197
Increase/(decrease) in grants received in advance		467,889	(791,110)
Increase/(decrease) in employee provisions		62,504	(113,216)
Net cash provided by (used in) operating activities		6,227,362	4,590,441

Note 17 Financial Risk Management

The Corporation's financial instruments consist mainly of deposits with banks, local money market instruments, short term and long-term investments, account receivables and payables, contract assets, lease liabilities and contract liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2021 $	2020 $
Financial assets			
Financial assets at amortised cost:			
Cash and cash equivalents	3	16,014,634	12,070,344
Trade and other receivables	4	1,103,525	833,518
Total financial assets		17,118,159	12,903,862
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	10	1,580,087	2,584,158
Lease liabilities	11	1,556,070	1,442,554
Total financial liabilities		3,136,157	4,026,712

Refer to Note 18 for detailed disclosures regarding the fair value measurements of the Corporation's financial assets.

Note 18 Fair Values Measurements

The Corporation 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 Corporation 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.

Note 18 Fair Values Measurements (Cont.)

	Note	2021 Carrying Amount $	2021 Fair Value $	2020 Carrying Amount $	2020 Fair Value $
Financial assets					
Cash and cash equivalents	3, 17	16,014,634	16,014,634	12,070,344	12,070,344
Trade and other receivables	4, 17	1,103,525	1,103,525	833,518	833,518
Total financial assets		17,118,159	17,118,159	12,903,862	12,903,862
Financial liabilities					
Trade and other payables	10, 17	1,580,087	1,580,087	2,584,158	2,584,158
Lease liabilities	11, 17	1,556,070	1,556,070	1,442,554	1,442,554
Total financial liabilities		3,136,157	3,136,157	4,026,712	4,026,712

(i) Cash on hand, accounts receivable and other debtors, and 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 9.

(ii) Loans receivable and lease liabilities fair values are assessed on an annual basis by Management and the Committee Members . 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	2021 Carrying Amount $	2021 Fair Value $	2020 Carrying Amount $	2020 Fair Value $
Non - financial assets					
Buildings	7	2,717,873	2,717,873	2,768,526	2,768,526
Total non- financial assets		2,717,873	2,717,873	2,768,526	2,768,526

For buildings, the fair values are based on a cost basis less accumulated depreciation.
In the Directors' annual assessment of impairment of assets, the cost basis of buildings less accumulated depreciation, is considered to be the appropriate base still, given the assets location, use and the cost of replacement.

Note 19 Key Management Personnel Remuneration

The totals of remuneration paid to KMP of the Corporation during the year are as follows :

	2021 $	2020 $
Wages	516,294	314,808
Superannuation	95,049	63,385
Total Key Management Personnel Remuneration	**611,343**	**378,193**

Note 20 Other Related Party Disclosure

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel or individual or collectively with their close family members.

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

There were no other related party transactions in 2021 (2020: $Nil).

Note 21 Corporation Details

The Registered Office of the corporation is:

Bawinanga Aboriginal Corporation
Lot 476 Maningrida NT 0822

The Principal place of business is:

Bawinanga Aboriginal Corporation
Lot 476 Maningrida NT 0822

BAWINANGA ABORIGINAL CORPORATION
ABN: 58 572 395 053
DIRECTORS' DECLARATION

The Directors of Bawinanga Aboriginal Corporation , declare that in the Directors' opinion :

1. The financial statements and notes, as set out on pages 3 to 29, are in accordance with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act 2006) and with the *Australian Charites and Not-for-Profits Commission Act 2012* (ACNC Act) and :

   (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and

   (b) give a true and fair view of the financial position of the Corporation as at 30 June 2021, its performance and cash flows for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013* .

Dated 17th September 2021

Dated 17th September 2021

BUSINESS + WEALTH ADVISORS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAWINANGA ABORIGINAL CORPORATION

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bawinanga Aboriginal Corporation, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of Bawinanga Aboriginal Corporation is in accordance with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, including:

(i) giving a true and fair view of the corporation's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006.*

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 corporation in accordance with the auditor independence requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, which has been given to the directors of Bawinanga Aboriginal Corporation, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the Directors for the Financial Report

The directors of the corporation are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the corporation's financial reporting process.

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

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.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

LBW Business & Wealth Advisors

Sripathy Sarma

Principal

Dated this 17th day of September 2021

CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND