

Bawinanga Aboriginal Corporation

ABN 58 572 395 053

Annual Report - 30 June 2022



**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 2022 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 16th day of November 2022



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Bawinanga Aboriginal Corporation

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30 June 2022

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Bawinanga Aboriginal Corporation
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	3	22,801,606	25,480,825
Expenses			
Employee benefits expense	4	(10,210,470)	(10,068,655)
Depreciation expense	4	(1,338,601)	(1,360,524)
interest expense		(82,123)	(136,841)
Motor vehicle expense		(1,004,948)	(645,155)
Materials and contractors		(4,208,446)	(3,522,460)
Utilities expense		(467,654)	(458,133)
Staff training and development expense		(56,875)	(184,266)
Audit, legal and consultancy fees		(964,885)	(1,001,879)
Other expenses from ordinary activities		(1,070,494)	(1,576,628)
Net surplus for the year		3,397,110	6,526,284
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>3,397,110</u>	<u>6,526,284</u>
Surplus attributable to members of the corporation		<u>3,397,110</u>	<u>6,526,284</u>
Total comprehensive income attributable to members of the corporation		<u>3,397,110</u>	<u>6,526,284</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Bawinanga Aboriginal Corporation
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	5	20,745,406	16,014,634
Trade and other receivables	6	920,383	1,103,525
Other Assets	7	834,592	536,994
Inventory	8	1,942,627	1,594,543
Total current assets		<u>24,443,008</u>	<u>19,249,697</u>
Non-current assets			
Property, plant and equipment	10	7,147,635	6,735,278
Right of Use Assets	11	1,608,862	1,707,066
Investments	9	2	2
Total non-current assets		<u>8,756,499</u>	<u>8,442,346</u>
Total assets		<u>33,199,507</u>	<u>27,692,043</u>
Liabilities			
Current liabilities			
Trade and other payables	12	2,419,905	1,794,262
Employee benefits	13	499,647	688,949
Grants in Advance	14	4,775,683	3,063,446
Lease Liabilities	15	213,846	179,539
Total current liabilities		<u>7,909,082</u>	<u>5,726,197</u>
Non-current liabilities			
Lease Liabilities	16	1,299,939	1,376,531
Employee benefits	17	80,444	76,382
Total non-current liabilities		<u>1,380,383</u>	<u>1,452,913</u>
Total liabilities		<u>9,289,464</u>	<u>7,179,110</u>
Net assets		<u>23,910,043</u>	<u>20,512,933</u>
Equity			
Accumulated Surplus	18	23,910,043	20,512,933
Total equity		<u>23,910,043</u>	<u>20,512,933</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Bawinanga Aboriginal Corporation
Statement of changes in equity
For the year ended 30 June 2022

	Retained Surplus \$	Total Equity \$
Balance at 1 July 2020	13,986,649	13,986,649
Surplus for the year	6,526,284	6,526,284
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>6,526,284</u>	<u>6,526,284</u>
Balance at 30 June 2021	<u>20,512,933</u>	<u>20,512,933</u>
	Retained Surplus \$	Total Equity \$
Balance at 1 July 2021	20,512,933	20,512,933
Surplus for the year	3,397,110	3,397,110
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>3,397,110</u>	<u>3,397,110</u>
Balance at 30 June 2022	<u>23,910,043</u>	<u>23,910,043</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Bawinanga Aboriginal Corporation
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from grants & other		24,587,296	25,647,522
Payments to suppliers and employees		<u>(18,172,757)</u>	<u>(19,451,345)</u>
Interest received		<u>109,689</u>	<u>31,185</u>
Net cash from operating activities	25	<u>6,524,228</u>	<u>6,227,362</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(1,512,381)</u>	<u>(1,765,722)</u>
Net cash used in investing activities		<u>(1,512,381)</u>	<u>(1,765,722)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(281,075)</u>	<u>(517,350)</u>
Net cash used in investing activities		<u>(281,075)</u>	<u>(517,350)</u>
Net increase in cash and cash equivalents		4,730,772	3,944,290
Cash and cash equivalents at the beginning of the financial year		<u>16,014,634</u>	<u>12,070,344</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>20,745,406</u></u>	<u><u>16,014,634</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The corporation has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the corporation.

The following Accounting Standards and Interpretations are most relevant to the corporation:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The corporation has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the corporation's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The corporation has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel and related parties.

Basis of preparation

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).

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act), as appropriate for not-for-profit oriented entities. The corporation is a not-for-profit entity for financial reporting purposes.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

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 corporation'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 2.

Revenue recognition

The corporation recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the corporation is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the corporation: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 1. Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sales 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.

Donations

Donations are recognised at the time the pledge is made.

Grants

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

If conditions are attached to the grant which must be satisfied before the corporation 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.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

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

Volunteer services

The corporation has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

Income tax

As the corporation is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the corporation's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the corporation's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 1. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Inventory

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.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the corporation has transferred goods or services to the customer but where the corporation is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

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

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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 corporation expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The corporation has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the corporation. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Note 1. Significant accounting policies (continued)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the corporation prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the corporation's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Contract liabilities

Contract liabilities represent the corporation's obligation to transfer goods or services to a customer 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.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the corporation has a present (legal or constructive) obligation as a result of a past event, it is probable the corporation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 1. Significant accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. 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.

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 specific 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.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

The corporation 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.

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.

Impairment - 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 2022 (2021: \$Nil).

Impairment – 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 2022 amounted to \$83,378 (2021: \$153,883).

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.

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 entity will make. The entity 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 entity.

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.

Bawinanga Aboriginal Corporation
Notes to the financial statements
30 June 2022

Note 3. Revenue

	2022	2021
	\$	\$
<i>Operating revenue</i>		
Grants & government funding	8,558,844	8,710,671
Net trading income	<u>5,781,842</u>	<u>7,262,226</u>
	<u>14,340,686</u>	<u>15,972,896</u>
<i>Other revenue</i>		
Other income	<u>8,460,920</u>	<u>9,507,929</u>
Revenue	<u><u>22,801,606</u></u>	<u><u>25,480,825</u></u>

Note 4. Expenses

	2022	2021
	\$	\$
Surplus for the year includes the following specific expenses:		
Depreciation of property, plant & equipment & right of use assets	1,338,601	1,360,524
Staff remuneration expenses	9,271,249	9,134,032
Contributions to defined contributions superannuation funds	<u>939,221</u>	<u>934,623</u>

Note 5. Current assets - cash and cash equivalents

	2022	2021
	\$	\$
Cash on hand	3,215,559	188,366
Cash at bank	<u>20,429,847</u>	<u>15,826,268</u>
	<u><u>20,745,406</u></u>	<u><u>16,014,634</u></u>

Note 6. Current assets - trade and other receivables

	2022	2021
	\$	\$
Trade debtors	1,005,954	1,257,358
Less provision for doubtful debts	<u>(85,571)</u>	<u>(153,833)</u>
	<u>920,383</u>	<u>1,103,525</u>

Bawinanga Aboriginal Corporation
Notes to the financial statements
30 June 2022

Note 7. Current assets - other

	2022	2021
	\$	\$
Accrued income	284,287	123,244
Prepayments	237,996	217,754
Undeposited funds	24,915	161,489
Security deposit	287,394	34,507
	<u>834,592</u>	<u>536,994</u>

Note 8. Current assets - inventory

	2022	2021
	\$	\$
Inventory on hand at cost	1,942,627	1,594,543
	<u>1,942,627</u>	<u>1,594,543</u>

Note 9. Current assets – financial asset

	2022	2021
	\$	\$
Shares- trade credit union	2	2
	<u>2</u>	<u>2</u>

Bawinanga Aboriginal Corporation
Notes to the financial statements
30 June 2022

Note 10. Non-current assets - property, plant and equipment

	2022	2021
	\$	\$
Buildings - at cost	7,239,659	6,416,862
Less: Accumulated depreciation	<u>(3,860,769)</u>	<u>(3,698,989)</u>
	<u>3,378,890</u>	<u>2,717,873</u>
Plant & equipment - at cost	5,818,551	5,595,983
Less: Accumulated depreciation	<u>(3,548,030)</u>	<u>(3,099,384)</u>
	<u>2,270,521</u>	<u>2,496,599</u>
Motor vehicles - at cost	3,275,915	2,790,702
Less: Accumulated depreciation	<u>(1,777,691)</u>	<u>(1,481,716)</u>
	<u>1,498,224</u>	<u>1,308,986</u>
Work in progress	<u>-</u>	<u>211,820</u>
	<u>7,147,635</u>	<u>6,735,278</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Buildings	Plant & equipment	Motor Vehicles	Total
Balance at 1 July 2021	2,717,873	2,496,599	1,308,986	6,523,458
Additions/transfers	822,796	232,020	723,634	1,778,450
Disposals	-	(5,479)	(65,438)	(70,917)
Depreciation expense	<u>(161,779)</u>	<u>(452,619)</u>	<u>(468,958)</u>	<u>(1,083,356)</u>
Balance at 30 June 2022	<u>3,378,890</u>	<u>2,270,521</u>	<u>1,498,224</u>	<u>7,147,635</u>

Note 11. Right of Use Assets

	2022	2021
	\$	\$
Leased Land & Buildings	2,868,924	2,737,525
Less: Accumulated Depreciation	<u>(1,260,062)</u>	<u>(1,030,459)</u>
	<u>1,608,862</u>	<u>1,707,066</u>

Additions to the right-of-use assets during the year were \$131,399 and depreciation charged to profit or loss was \$255,246.

The corporation's lease portfolio includes land & 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.

Bawinanga Aboriginal Corporation
Notes to the financial statements
30 June 2022

Note 12. Current liabilities – trade payables

	2022	2021
	\$	\$
Trade payables	1,257,909	812,759
Accrued expenses	351,031	676,180
Other payables	494,619	91,148
GST payable	316,346	214,175
	<u>2,419,905</u>	<u>1,794,262</u>

Note 13. Current liabilities - employee benefits

	2022	2021
	\$	\$
Annual leave provisions	355,438	556,390
Long service leave provision	1,508	2,834
Time off in lieu	142,700	129,725
	<u>499,647</u>	<u>688,949</u>

Note 14. Grants in advance

	2022	2021
	\$	\$
Unspent grant funds	4,775,683	3,063,446
	<u>4,775,683</u>	<u>3,063,446</u>

Note 15. Current liabilities - lease liabilities

	2022	2021
	\$	\$
Lease liability	213,846	179,539
	<u>213,846</u>	<u>179,539</u>

Note 16. Non-current liabilities - lease liabilities

	2022	2021
	\$	\$
Lease liability	1,299,939	1,376,531
	<u>1,299,939</u>	<u>1,376,531</u>

Future lease payments

Future lease payments are due as follows:

Within one year	213,846	179,539
One to five years	811,112	881,900
More than five years	488,828	494,509
	<u>1,513,786</u>	<u>1,555,948</u>

Bawinanga Aboriginal Corporation
Notes to the financial statements
30 June 2022

Note 17. Non-current liabilities - employee benefits

	2022	2021
Long service leave provision	<u>80,444</u>	<u>76,382</u>

Note 18. Equity - retained surpluses

	2022	2021
	\$	\$
Retained surpluses at the beginning of the financial year	20,512,933	13,986,649
Surplus for the year	<u>3,397,110</u>	<u>6,526,284</u>
Retained surpluses at the end of the financial year	<u><u>23,910,043</u></u>	<u><u>20,512,933</u></u>

Note 19. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the corporation is set out below:

	2022	2021
	\$	\$
Aggregate compensation	<u>1,173,729</u>	<u>611,343</u>

Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by LBW Business & Wealth Advisors, the auditor of the corporation:

	2022	2021
	\$	\$
<i>Audit services – LBW Business & Wealth Advisors</i>		
Audit of the financial statements	<u>40,000</u>	<u>37,000</u>

Note 21. Contingent liabilities

The corporation had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Bawinanga Aboriginal Corporation
Notes to the financial statements
30 June 2022

Note 22. Commitments

The corporation had no commitments for expenditure as at 30 June 2022 and 30 June 2021.

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 19.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 24. Events after the reporting period

No other matter or circumstance has arisen since 30 June 2022 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 25. Reconciliation of surplus to net cash from operating activities

	2022	2021
	\$	\$
Operating profit for the year	3,397,110	6,526,284
Adjustments for:		
Depreciation and amortisation	1,338,601	1,360,524
Loss/(profit) on sale & disposal of assets	16,669	60,214
(Decrease)/increase in impairment of receivables	(70,455)	(80,936)
Lease liability – finance costs	81,749	92,089
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	253,597	(189,071)
Decrease/(increase) in other assets	(297,598)	15,669
Decrease/(increase) in inventories	(348,084)	(266,569)
Increase/(decrease) in trade and other payables	625,643	(1,821,235)
Increase/(decrease) in grants in advance	1,712,237	467,889
Increase/(decrease) in employee benefits	(185,240)	62,504
Net cash from operating activities	<u>6,524,228</u>	<u>6,227,362</u>

Note 25. Corporation details

Registered office

Lot 476
Maningrida NT 0822

Principal place of business

Lot 476
Maningrida NT 0822

Bawinanga Aboriginal Corporation
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act 2006), the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001. The Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act) and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the corporation's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- 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.

On behalf of the directors

Director: VALDA BOHMAKARAY Date: 16. 11. 22 2022

Director: Cynthia Brown Date: 16. 11. 22 2022



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 2022, 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* and Division 60 of the *Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- (i) giving a true and fair view of the corporation's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and with Division 60 of the *Australian Charities and Not-for-profits Regulation 2013*.

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* and *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), 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*, the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), the Australian Accounting Standards - Simplified Disclosures 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.



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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 16th day of November 2022



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