

Bawinanga Aboriginal Corporation

ABN 58 572 395 053

Annual Report - 30 June 2023

Bawinanga Aboriginal Corporation
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the corporation for the year ended 30 June 2023.

Directors

The following persons were directors of the corporation during the whole of the financial year and up to the date of this report, unless otherwise stated.

During the financial year, 14 meetings of directors were held. Attendances by each director during the year were as follows;

BAC Directors' Attendance Sheet July 2022-June 2023			
Name	Position	Number of meetings eligible to attend	Number of meetings attended
Oliver Ankin (term expired Nov 2022)	Director	8	2
Phyllis Dungudja (term expired Nov 2022)	Director	8	8
Dion Cooper (term expired Nov 2022)	Director	8	1
Julius Kernan (Elected Nov 2021)	Director / (Previous Chair)	14	9
Cynthia Brown (re-elected Nov 2022)	Deputy Chair	14	13
Valda Bokmarkarray (re-elected Nov 2022)	Director	14	14
Matthew Ryan (elected Nov 21)	Director	14	10
Jacqueline Phillips (elected Nov 21)	Chair / (previous Director)	14	13
Wayne Kala Kala (elected Nov 2022)	Director	6	6
Manuel Brown (elected Nov 2022, resigned March 2023)	Director	2	1
Victor Rostron (Elected Nov 2022)	Director	6	1 *
Russell Stewart (Elected Nov 2022)	Director	6	1 *
Richard Callaghan (appointed Sep 21)	Independent Director 1	14	9
Karl Dyason (appointed July 22)	Independent Director 2	14	11
Note: Victor Rostron and Russel Stewart were suspended due to failure to obtain Director's ID based on the Board's decision from 24 Jan 23			

Operating result

The operating surplus for the year amounted to \$1,252,994, prior to the transfer of \$8,800,000 of funds to the Bawinanga Aboriginal Corporation Special Purpose Fund resulting in an overall deficit for the year (\$7,547,006) (2022: Surplus of \$3,397,110).

Significant changes

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

**Bawinanga Aboriginal Corporation
Directors' report
30 June 2023**

Principal activities

The corporation was established for the relief of poverty, destitution, helplessness and distress of Aboriginal and Torres Strait 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 endeavours, the common good and mutual benefit of its members through fair, equitable and representative action and enterprise.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 3 of the financial report.

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

Director:  Date: 15 November 2023

Director: Cynthia B Date: 15 November 2023



**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 2023 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 15th day of November 2023



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Bawinanga Aboriginal Corporation

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Bawinanga Aboriginal Corporation
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	3	23,851,260	22,801,606
Expenses			
Employee benefits expense	4	(11,149,234)	(10,210,470)
Depreciation expense	4	(1,417,091)	(1,338,601)
interest expense		(81,289)	(82,123)
Motor vehicle expense		(1,362,127)	(1,004,948)
Materials and contractors		(4,149,146)	(4,208,446)
Utilities expense		(497,363)	(467,654)
Staff training and development expense		(137,858)	(56,875)
Legal and consultancy fees		(1,287,077)	(964,885)
Other expenses from ordinary activities		<u>(2,517,081)</u>	<u>(1,070,494)</u>
Surplus for the year before transfer of funds to The Bawinanga Aboriginal Corporation Special Purposes Fund		<u>1,252,994</u>	<u>3,397,110</u>
Transfer of funds to The Bawinanga Aboriginal Corporation Special Purposes Fund	(i)	(8,800,000)	-
Net surplus/(deficit) for the year		<u>(7,547,006)</u>	<u>3,397,110</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		<u>(7,547,006)</u>	<u>3,397,110</u>
Surplus/(deficit) attributable to members of the corporation		<u>(7,547,006)</u>	<u>3,397,110</u>
Total comprehensive income/(loss) attributable to members of the corporation		<u>(7,547,006)</u>	<u>3,397,110</u>

(i) Bawinanga Aboriginal Corporation Special Purposes Fund (ABN 45 639 768 537) was established as per the trust deed dated 11 June 2021.

A total of \$8,800,000 (\$6,800,000 on 8 August 2022 and \$2,000,000 on 23 September 2022) was transferred to an investment account controlled by the Bawinanga Aboriginal Corporation Special Purposes Fund.

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 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	5	16,696,292	20,745,406
Trade and other receivables	6	1,401,610	920,383
Other Assets	7	1,210,619	834,592
Inventory	8	1,871,375	1,942,627
Total current assets		<u>21,179,896</u>	<u>24,443,008</u>
Non-current assets			
Property, plant and equipment	10	7,871,978	7,147,635
Right of Use Assets	11	1,372,850	1,608,862
Investments	9	2	2
Total non-current assets		<u>9,244,830</u>	<u>8,756,499</u>
Total assets		<u>30,424,726</u>	<u>33,199,507</u>
Liabilities			
Current liabilities			
Trade and other payables	12	3,399,663	2,419,905
Employee benefits	13	711,834	499,647
Grants in Advance	14	8,561,933	4,775,683
Lease Liabilities	15	216,484	213,846
Total current liabilities		<u>12,889,914</u>	<u>7,909,082</u>
Non-current liabilities			
Lease Liabilities	16	1,096,925	1,299,939
Employee benefits	17	74,850	80,444
Total non-current liabilities		<u>1,171,775</u>	<u>1,380,383</u>
Total liabilities		<u>14,061,689</u>	<u>9,289,464</u>
Net assets		<u>16,363,037</u>	<u>23,910,043</u>
Equity			
Accumulated Surplus	18	16,363,037	23,910,043
Total equity		<u>16,363,037</u>	<u>23,910,043</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 2023

	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>
	Retained Surplus \$	Total Equity \$
Balance at 1 July 2022	23,910,043	23,910,043
Loss for the year	(7,547,006)	(7,547,006)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>(7,547,006)</u>	<u>(7,547,006)</u>
Balance at 30 June 2023	<u>16,363,037</u>	<u>16,363,037</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 2023

	Note	2023 \$	2021 \$
Cash flows from operating activities			
Receipts from grants & other		26,825,930	24,587,296
Payments to suppliers and employees		<u>(28,978,987)</u>	<u>(18,172,757)</u>
Interest received		<u>345,493</u>	<u>109,689</u>
Net cash provided from/(used in) operating activities	25	<u>(1,807,564)</u>	<u>6,524,228</u>
Cash flows from investing activities			
Payments for property, plant and equipment	10	<u>(1,969,419)</u>	<u>(1,512,381)</u>
Net cash used in investing activities		<u>(1,969,419)</u>	<u>(1,512,381)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(272,131)</u>	<u>(281,075)</u>
Net cash used in investing activities		<u>(272,131)</u>	<u>(281,075)</u>
Net increase/(decrease) in cash and cash equivalents		(4,049,114)	4,730,772
Cash and cash equivalents at the beginning of the financial year		<u>20,745,406</u>	<u>16,014,634</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>16,696,292</u></u>	<u><u>20,745,406</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.

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.

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.

Note 1. Significant accounting policies (continued)

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.

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.

Note 1. Significant accounting policies (continued)

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	10-20%

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.

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.

Note 1. Significant accounting policies (continued)

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.

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.

Note 1. Significant accounting policies (continued)

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.

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 2023 (2022: \$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 2023 amounted to \$70,432 (2022: \$85,571).

Bawinanga Aboriginal Corporation
Notes to the financial statements
30 June 2023

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

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 likelihood 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.

Note 3. Revenue

	2023	2022
	\$	\$
<i>Operating revenue</i>		
Grants & government funding	8,407,600	8,558,844
Net trading income	5,939,251	5,781,842
	<u>14,346,851</u>	<u>14,340,686</u>
<i>Other revenue</i>		
Other income	<u>9,504,409</u>	<u>8,460,920</u>
Revenue	<u><u>23,851,260</u></u>	<u><u>22,801,606</u></u>

Note 4. Expenses

	2023	2022
	\$	\$
Surplus for the year includes the following specific expenses:		
Depreciation of property, plant & equipment & right of use assets	1,417,091	1,338,601
Staff remuneration expenses	10,067,144	9,271,249
Contributions to defined contributions superannuation funds	<u>1,082,089</u>	<u>939,221</u>

Bawinanga Aboriginal Corporation
Notes to the financial statements
30 June 2023

Note 5. Current assets - cash and cash equivalents

	2023	2022
	\$	\$
Cash on hand	149,425	315,559
Cash at bank	16,546,867	20,429,847
	<u>16,696,292</u>	<u>20,745,406</u>

Note 6. Current assets - trade and other receivables

	2023	2022
	\$	\$
Trade debtors	1,472,042	1,005,954
Less provision for doubtful debts	(70,432)	(85,571)
	<u>1,401,610</u>	<u>920,383</u>

Note 7. Current assets - other

	2023	2022
	\$	\$
Accrued income	108,839	284,287
Prepayments	833,862	237,996
Undeposited funds	15,030	24,915
Security deposit	252,887	287,394
	<u>1,210,619</u>	<u>834,592</u>

Note 8. Current assets - inventory

	2023	2022
	\$	\$
Inventory on hand at cost	1,871,375	1,942,627
	<u>1,871,375</u>	<u>1,942,627</u>

Note 9. Current assets – financial asset

	2023	2022
	\$	\$
Shares - trade credit union	2	2
	<u>2</u>	<u>2</u>

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

	2023	2022
	\$	\$
Buildings - at cost	7,616,703	7,239,659
Less: Accumulated depreciation	<u>(4,032,666)</u>	<u>(3,860,769)</u>
	<u>3,584,037</u>	<u>3,378,890</u>
Plant & equipment - at cost	5,947,061	5,818,551
Less: Accumulated depreciation	<u>(3,797,099)</u>	<u>(3,548,030)</u>
	<u>2,149,963</u>	<u>2,270,521</u>
Motor vehicles - at cost	4,446,641	3,275,915
Less: Accumulated depreciation	<u>(2,308,663)</u>	<u>(1,777,691)</u>
	<u>2,137,978</u>	<u>1,498,224</u>
	<u><u>7,871,978</u></u>	<u><u>7,147,635</u></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 2022	3,378,890	2,270,521	1,498,224	7,147,635
Additions/transfers	377,044	353,913	1,238,461	1,969,419
Net disposals	-	(39,625)	(23,793)	(63,418)
Depreciation expense	<u>(171,897)</u>	<u>(434,846)</u>	<u>(574,915)</u>	<u>(1,181,658)</u>
Balance at 30 June 2023	<u><u>3,584,037</u></u>	<u><u>2,149,963</u></u>	<u><u>2,137,978</u></u>	<u><u>7,871,978</u></u>

Note 11. Right of Use Assets

	2023	2022
	\$	\$
Leased Land & Buildings	2,832,791	2,868,924
Less: Accumulated Depreciation	<u>(1,459,941)</u>	<u>(1,260,062)</u>
	<u><u>1,372,850</u></u>	<u><u>1,608,862</u></u>

Additions to the right-of-use assets during the year were \$nil and depreciation charged to profit or loss was \$245,142 .

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 2023

Note 12. Current liabilities – trade payables

	2023	2022
	\$	\$
Trade payables	1,975,139	1,257,909
Accrued expenses	438,636	351,031
Other payables	269,450	494,619
GST payable	716,438	316,346
	<u>3,399,663</u>	<u>2,419,905</u>

Note 13. Current liabilities - employee benefits

	2023	2022
	\$	\$
Annual leave provisions	529,909	355,438
Long service leave provision	172,363	142,700
Time off in lieu	9,562	1,508
	<u>711,834</u>	<u>499,647</u>

Note 14. Grants in advance

	2023	2022
	\$	\$
Unspent grant funds	8,561,933	4,775,683
	<u>8,561,933</u>	<u>4,775,683</u>

Note 15. Current liabilities - lease liabilities

	2023	2022
	\$	\$
Lease liability	216,484	213,846
	<u>216,484</u>	<u>213,846</u>

Note 16. Non-current liabilities - lease liabilities

	2023	2022
	\$	\$
Lease liability	1,096,925	1,299,939
	<u>1,096,925</u>	<u>1,299,939</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	216,484	213,846
One to five years	614,112	811,112
More than five years	482,813	488,828
	<u>1,313,409</u>	<u>1,513,786</u>

Bawinanga Aboriginal Corporation
Notes to the financial statements
30 June 2023

Note 17. Non-current liabilities - employee benefits

	2023	2022
	\$	\$
Long service leave provision	<u>74,850</u>	<u>80,444</u>

Note 18. Equity - retained surpluses

	2023	2022
	\$	\$
Retained surpluses at the beginning of the financial year	23,910,043	20,512,933
Surplus/(deficit) for the year	<u>(7,547,006)</u>	<u>3,397,110</u>
Retained surpluses at the end of the financial year	<u>16,363,037</u>	<u>23,910,043</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:

	2023	2022
	\$	\$
Aggregate compensation	<u>966,449</u>	<u>1,173,729</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:

	2023	2022
	\$	\$
<i>Audit services – LBW Business & Wealth Advisors</i>		
Audit of the financial statements	<u>40,000</u>	<u>40,000</u>

Note 21. Contingent liabilities

The corporation had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Bawinanga Aboriginal Corporation
Notes to the financial statements
30 June 2023

Note 22. Commitments

The corporation had no commitments for expenditure as at 30 June 2023 and 30 June 2022.

Note 23. Related party transactions

Key management personnel

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

	2023	2022
	\$	\$
<i>Transactions with related parties</i>		
The following amount was transferred to Bawinanga Aboriginal Corporation Special Purposes Fund.	8,800,000	-
<i>A company controlled by a Director</i>		
Services provided – Performance Fee	20,000	-
<i>Receivable from and payable to related parties</i>		
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.		
Loans to/from related parties		
Director is paying off repairs to a vehicle	6,955	-

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

Note 24. Events after the reporting period

No other matter or circumstance has arisen since 30 June 2023 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

	2023	2022
	\$	\$
Operating surplus/(deficit) for the year	(7,547,006)	3,397,110
Adjustments for:		
Depreciation and amortisation	1,417,091	1,338,601
Loss/(profit) on sale & disposal of assets	63,456	16,669
(Decrease)/increase in impairment of receivables	(15,139)	(70,455)
Lease liability – finance costs	72,295	81,749
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(466,088)	253,597
Decrease/(increase) in other assets	(376,027)	(297,598)
Decrease/(increase) in inventories	71,252	(348,084)
Increase/(decrease) in trade and other payables	979,758	625,643
Increase/(decrease) in grants in advance	3,786,250	1,712,237
Increase/(decrease) in employee benefits	206,593	(185,240)
Net cash from operating activities	<u>(1,807,564)</u>	<u>6,524,228</u>

Note 26. 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 2023**

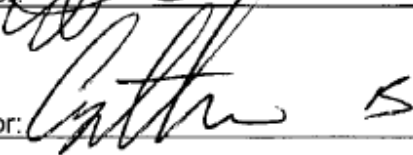
In the directors' opinion:

- 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 2023 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:  _____ Date: *15 November* 2023

Director:  _____ Date: *15 November* 2023



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 2023, 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 2023 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.



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

GEELONG OFFICE

35-37 Gordon Avenue
Geelong West VIC 3218
T: 03 5221 6111
F: 03 5223 1966


MELBOURNE OFFICE

Level 3, 365 Little Collins Street
Melbourne VIC 3000
T: 03 9670 4444
F: 03 5223 1966

POSTAL ADDRESS

PO Box 4115
Geelong VIC 3220

EMAIL lbw@lbwca.com.au

WEB www.lbwca.com.au
 @lbwca

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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 15th day of November 2023



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

GEELONG OFFICE

35-37 Gordon Avenue
Geelong West VIC 3218
T: 03 5221 6111
F: 03 5223 1966

MELBOURNE OFFICE


Level 3, 365 Little Collins Street
Melbourne VIC 3000
T: 03 9670 4444
F: 03 5223 1966

POSTAL ADDRESS

PO Box 4115
Geelong VIC 3220

EMAIL lbw@lbwca.com.au

WEB www.lbwca.com.au

 [@lbwca](https://twitter.com/lbwca)

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