

**Laynhapuy Homelands Aboriginal Corporation**  
**ABN: 86 695 642 473**

**Consolidated Financial Statements**

**For the Year Ended 30 June 2018**

# Laynhapuy Homelands Aboriginal Corporation

ABN: 86 695 642 473

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For the Year ended 30 June 2018

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## **Directors' Report**

**30 June 2018**

The directors present their report, together with the financial statements of the Group, being the Corporation and its controlled entities, for the financial year ended 30 June 2018.

### **1. General information**

#### **Information on directors**

The names of each person who has been a director during the year and to the date of this report is summarised in the table below together with;

#### **Meetings of directors**

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

<b>Name</b>	<b>Appointment during year</b>	<b>Resignation during year</b>	<b>Meetings Eligible</b>	<b>Meetings Attended</b>
Barayuwa Mununggurr			9	7
Christopher Haynes			9	7
Djambawa Marawili			9	4
Gurumuwuy Paul Wunungmurra			9	8
Ivan Bruce Alcorn			9	9
Mayila Wunungmurra			9	9
Melngathu Balku Wunungmurra			9	9
Waturr Gumana			9	9
Yananymul Mununggurr			9	9

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

#### **Principal activities**

The principal activity of the Group during the financial year was the development of and support for the activities of homeland facilities.

No significant change in the nature of these activities occurred during the year.

### **2. Operating results and review of operations for the year**

#### **Operating result**

The deficit of the Group for the financial year after providing for income tax amounted to \$650,571, compared with last year's surplus of \$1,040,166.

### **3. Other items**

#### **Significant events**

On 28 August 2017, the Board of Directors of controlled entity Laynhapuy Aviation Aboriginal Corporation resolved to wind up the Corporation and transfer operations, assets, and liabilities to Laynhapuy Homelands Aboriginal Corporation. On 13 October 2017, after receiving legal advice, the Board suspended all operations involving the receipt of monies and entered into negotiations with Mission Aviation Fellowship to establish a Service Agreement between MAF and Laynhapuy Homelands Aboriginal Corporation to operate a fee-for-service air charter service. The Board further resolved to cease operations of Laynha Aviation as of 31 January 2018, to make all staff redundant and

## Directors' Report

30 June 2018

to liquidate or transfer all assets.

On 16 February 2017, the Board of Laynhapuy Homelands Aboriginal Corporation resolved (a) to establish a Corporation to be called the "Ganybu Housing Corporation" (LHAC) under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*; (b) transfer \$3,360,000 from the Royalties Fund to a specific bank account in the name of "Ganybu Housing Corporation"; (c) appoint Zenco Constructions as the preferred builder for the Ganybu Housing Corporation; (d) execute a contract between LHAC and Zenco Constructions for the construction of houses; (e) enter into negotiations with Westpac Banking Corporation for a line of credit facility of up to \$3,000,000; (f) and construct 2 houses at Baniyala, 2 houses at Garrthallala, 1 house at Gangan and 1 house at Gurrumurru.

On 2 August 2017, at the inaugural meeting of the Ganybu Housing Aboriginal Corporation, the Board resolved (a) to direct the CEO (GHAC) to open a bank account with Westpac Bank in the name of the "Ganybu Housing Aboriginal Corporation"; (b) to accept the donation of \$3,360,000 from Laynhapuy Homelands Aboriginal Corporation to undertake house construction on the Homelands; (c) to approve and sign the contract between GHAC and Zenco Constructions; (d) to direct the CEO (GHAC) to approach Westpac for a Line of Credit using \$3,000,000 in an AAA rated investment as security; and (f) to direct the CEO (GHAC) to deposit \$3,000,000 into an appropriate cash investment deposit with Westpac Bank.

### Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the year.

### Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

### Future developments

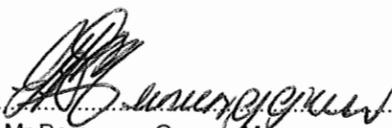
The Corporation expects to maintain the present status and level of operations.

### Dividends paid or recommended

The Corporation's rulebook precludes it from distributing any surpluses to members. Accordingly, no dividends were paid, declared or recommended since the start of the financial year.

The lead auditor's independence declaration in accordance with section 339-50 of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, for the year ended 30 June 2018 has been received and can be found on page 5 of the financial report.

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

Director: .....  .....  
Mr Barayuwa George Mununggurr

Dated 29/11/18

**DECLARATION OF INDEPENDENCE BY MARGARET DEWHURST TO THE DIRECTORS OF  
LAYNHAPUY HOMELANDS ABORIGINAL CORPORATION**

As lead auditor of Laynhapuy Homelands Aboriginal Corporation for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Laynhapuy Homelands Aboriginal Corporation and the entities it controlled during the period.



Margaret Dewhurst

Director



**BDO Audit (NTH QLD) Pty Ltd**

Cairns, 29 November 2018

**Statement of Profit or Loss and Other Comprehensive Income**

For the Year Ended 30 June 2018

	Note	Consolidated		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
Revenue	3	17,763,025	17,159,571	17,369,902	16,165,632
Other income	3	766,323	565,778	988,742	526,250
Cost of Sales		(821,616)	(1,594,260)	-	-
Employee benefits expense		(8,853,049)	(7,984,630)	(8,705,035)	(7,868,119)
Consultant & Contract Fees		(600,232)	(1,808,490)	(600,232)	(1,812,899)
Fuel		(651,509)	(246,538)	(651,509)	(231,721)
Insurance		(479,180)	(463,531)	(430,602)	(410,066)
Materials, parts & supplies		(1,627,742)	(1,430,831)	(1,627,742)	(1,435,788)
Project & homeland maintenance expenses		(2,239,153)	(423,809)	-	(383,324)
Travel & accommodation		(648,183)	(163,437)	(923,148)	(805,668)
Other expenses	4	(2,050,083)	(1,464,713)	(1,976,952)	(1,521,801)
Finance costs		(76,165)	(18,450)	(8,225)	(11,335)
Depreciation and amortisation expense		(1,214,600)	(1,146,748)	(1,157,593)	(1,038,278)
Profit/Loss on disposal of plant & equipment		81,593	60,254	20,151	60,254
Operating Surplus (Deficit)		(650,571)	1,040,166	2,297,757	1,233,138
Contribution Ganybu Housing Aboriginal Corporation		-	-	(3,610,000)	-
<b>Surplus (deficit) before income tax</b>		<b>(650,571)</b>	<b>1,040,166</b>	<b>(1,312,243)</b>	<b>1,233,138</b>
Income tax expense		-	-	-	-
<b>Surplus (deficit) for the year</b>		<b>(650,571)</b>	<b>1,040,166</b>	<b>(1,312,243)</b>	<b>1,233,138</b>
<b>Other comprehensive income for the year, net of tax</b>					
<b>Total comprehensive income for the year</b>		<b>(650,571)</b>	<b>1,040,166</b>	<b>(1,312,243)</b>	<b>1,233,138</b>

## Statement of Financial Position

30 June 2018

	Note	Consolidated		Parent	
		2018	2017	2018	2017
		\$	\$	\$	\$
<b>ASSETS</b>					
CURRENT ASSETS					
Cash and cash equivalents	5	<b>12,952,415</b>	12,401,102	<b>9,773,762</b>	11,981,366
Trade and other receivables	6	<b>682,900</b>	1,090,511	<b>683,411</b>	1,094,604
Inventories	7	<b>553,108</b>	332,134	<b>553,108</b>	332,134
Other assets	8	<b>588,212</b>	26,287	<b>588,212</b>	26,287
TOTAL CURRENT ASSETS		<b>14,776,635</b>	13,850,035	<b>11,598,493</b>	13,434,392
NON-CURRENT ASSETS					
Property, plant and equipment	10	<b>14,590,797</b>	14,470,789	<b>14,590,797</b>	13,976,187
TOTAL NON-CURRENT ASSETS		<b>14,590,797</b>	14,470,789	<b>14,590,797</b>	13,976,187
TOTAL ASSETS		<b>29,367,432</b>	28,320,823	<b>26,189,290</b>	27,410,578
<b>LIABILITIES</b>					
CURRENT LIABILITIES					
Trade and other payables	11	<b>3,192,373</b>	3,295,997	<b>3,192,373</b>	3,050,691
Borrowings	12	<b>1,892,434</b>	38,874	<b>40,904</b>	38,874
Employee benefits	13	<b>835,602</b>	802,538	<b>835,602</b>	802,538
TOTAL CURRENT LIABILITIES		<b>5,920,409</b>	4,137,409	<b>4,068,879</b>	3,892,103
NON-CURRENT LIABILITIES					
Employee benefits	13	<b>151,929</b>	197,076	<b>151,929</b>	197,076
Borrowings	12	<b>127,076</b>	167,749	<b>127,076</b>	167,748
TOTAL NON-CURRENT LIABILITIES		<b>279,005</b>	364,825	<b>279,005</b>	364,825
TOTAL LIABILITIES		<b>6,199,414</b>	4,502,234	<b>4,347,884</b>	4,256,928
NET ASSETS		<b>23,168,018</b>	23,818,589	<b>21,841,406</b>	23,153,651
<b>EQUITY</b>					
Reserves	14	<b>373,461</b>	437,959	<b>373,461</b>	373,461
Retained surplus		<b>22,794,557</b>	23,380,629	<b>21,467,945</b>	22,780,189
TOTAL EQUITY		<b>23,168,018</b>	23,818,589	<b>21,841,406</b>	23,153,651

## Statement of Changes in Equity

For the Year Ended 30 June 2018

2018

	Parent			
	Retained Earnings	Asset Revaluation Surplus	General Reserves	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>22,780,189</b>	<b>373,461</b>	-	<b>23,153,651</b>
<b>Total comprehensive income for the year</b>				
Loss attributable to members of the entity	(1,312,243)	-	-	(1,312,243)
<i>Other comprehensive income</i>	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(1,312,243)</b>	<b>-</b>	<b>-</b>	<b>(1,312,243)</b>
<b>Balance at 30 June 2018</b>	<b>21,467,945</b>	<b>373,461</b>	<b>-</b>	<b>21,841,406</b>

2017

	Parent			
	Retained Earnings	Asset Revaluation Surplus	General Reserves	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	21,547,051	373,461	-	21,920,512
<b>Total comprehensive income for the year</b>				
Profit attributable to members of the entity	1,233,138	-	-	1,233,138
<i>Other comprehensive income</i>	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>1,233,138</b>	<b>-</b>	<b>-</b>	<b>1,233,138</b>
<b>Balance at 30 June 2017</b>	<b>22,780,189</b>	<b>373,461</b>	<b>-</b>	<b>23,153,651</b>

2018

	Consolidated			
	Retained Earnings	Asset Revaluation Surplus	General Reserves	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	<b>23,380,629</b>	<b>373,461</b>	<b>64,498</b>	<b>23,818,589</b>
<b>Total comprehensive income for the year</b>				
Loss attributable to members of the entity	(650,571)	-	-	(650,571)
<i>Other comprehensive income</i>	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(650,571)</b>	<b>-</b>	<b>-</b>	<b>(650,571)</b>
<b>Transfer from reserve</b>	<b>64,498</b>	<b>-</b>	<b>(64,498)</b>	<b>-</b>
<b>Balance at 30 June 2018</b>	<b>22,794,557</b>	<b>373,461</b>	<b>-</b>	<b>23,168,018</b>

2017

	Consolidated			
	Retained Earnings	Asset Revaluation Surplus	General Reserves	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	22,340,459	373,461	64,498	22,778,418
<b>Total comprehensive income for the year</b>				
Loss attributable to members of the entity	1,040,166	-	-	1,040,166
<i>Other comprehensive income</i>	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>1,040,166</b>	<b>-</b>	<b>-</b>	<b>1,040,166</b>
<b>Balance at 30 June 2017</b>	<b>23,380,629</b>	<b>373,461</b>	<b>64,498</b>	<b>23,818,589</b>

**Statement of Cash Flows**  
For the Year Ended 30 June 2018

Note	Consolidated		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	20,405,623	18,986,505	20,227,789	17,946,816
Payments to suppliers and employees	(20,480,341)	(17,287,189)	(20,743,731)	(16,192,087)
Interest received	141,963	135,696	107,258	134,311
Finance costs	(76,165)	(18,450)	(8,225)	(11,335)
Net cash provided by (used in) operating activities	(8,920)	1,816,562	(416,909)	1,877,705
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Sale of property, plant and equipment	590,400	60,254	91,005	60,254
Purchase of property, plant and equipment	(1,843,055)	(949,750)	(1,843,058)	(923,170)
Net cash used by investing activities	(1,252,655)	(889,496)	(1,752,053)	(862,916)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Proceeds of borrowings	1,851,530	-	-	-
Repayment of borrowings	(38,642)	-	(38,642)	-
Advances/(repayments) from/(to) other entities	-	(746,387)	-	(746,387)
Net cash used by financing activities	1,812,888	(746,387)	(38,642)	(746,387)
Net increase in cash and cash equivalents held	551,313	180,679	(2,207,604)	268,405
Cash and cash equivalents at beginning of year	12,401,102	12,220,423	11,981,366	11,712,964
Cash and cash equivalents at end of financial year	12,952,415	12,401,102	9,773,762	11,981,366

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2018**

#### **1 Summary of significant accounting policies**

The financial report includes the consolidated financial statements and notes of Laynhapuy Homelands Aboriginal Corporation and controlled entities (the Group) and the separate financial statements and notes of Laynhapuy Homelands Aboriginal Corporation as an individual parent entity (Parent), incorporated and domiciled in Australia. The entity is not-for-profit for the purposes of financial reporting.

Each of the entities within the Group prepares their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial statements of Laynhapuy Homelands Aboriginal Corporation for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the Directors on 24 October 2018

##### **(a) Basis of preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, and the Corporations (Aboriginal and Torres Strait Islander) Act 2006.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Amounts are rounded to nearest Australian dollar.

##### **(b) Principles of consolidation**

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

A list of controlled entities is contained in Note 7 to the financial statements.

##### **(c) Income tax**

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

##### **(d) Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates. All revenue is stated net of the amount of goods and services tax (GST).

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2018**

### **1 Summary of significant accounting policies (continued)**

#### **Rendering of services**

Revenue from rendering of services is recognised upon delivery of the service to the customer.

#### **Grant revenue**

Government grants and other contributions of assets are accounted for in accordance with AASB 1004. Contributions based on whether they are reciprocal or non-reciprocal in nature and are measured at the fair value of the contributions received or receivable.

Reciprocal transfers are those where approximately equal value is exchanged in the transfer between the transferor (grantor) and the transferee (grantee). Non-reciprocal transfers are those where equal value is not exchanged.

##### **a. Reciprocal transfers**

Where grants and other contributions are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements. The Corporation currently does not have any reciprocal grants.

##### **b. Non-reciprocal transfers**

Grants and other contributions that are non-reciprocal in nature are recognised as revenue when, and only when, all the following conditions have been satisfied:

- The Corporation obtains control of the contribution or the right to receive the contribution'
- It is probable that the economic benefits comprising the contribution will flow to the corporation; and
- The amount of the contribution can be measured reliably.

The Corporation considers that it does not obtain control of grant funds received (or receivable) until the funds have been applied for the approved purpose set out in the relevant funding agreement. Grant funds unexpended, repayable or in advance are accounted for as liabilities.

#### **Donations**

Donations and bequests are recognised as revenue when received.

#### **Interest revenue**

Interest is recognised using the effective interest method.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2018**

### **1 Summary of significant accounting policies (continued)**

#### **Royalties**

Royalties are recognised as revenue when received.

#### **Other income**

Other income is recognised on an accruals basis when the Group is entitled to it.

#### **(e) Trade and other receivables**

Trade receivables and other debtors include amounts due from trade debtors, donors and any outstanding grants receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as noncurrent assets.

#### **(f) Goods and services tax (GST)**

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

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### **(g) Inventories**

Inventories are measured at the lower of average cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and are net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

#### **(h) Trade and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the corporation during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

## Notes to the Financial Statements

### For the Year Ended 30 June 2018

#### 1 Summary of significant accounting policies (continued)

##### (i) Property, plant and equipment

Property, plant and equipment are measured using the cost model less any accumulated depreciation and impairment losses

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### Land and buildings

Land and buildings are measured using the cost model.

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

##### Plant and equipment

Plant and equipment are measured using the cost model. Cost includes expenses that are directly attributable to asset.

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

##### Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Buildings	30-40 years
Plant and Equipment	5-15 years
Furniture, Fixtures and Fittings	5-10 years
Motor Vehicles	5 years
Infrastructure	5-30 years

##### (j) Other assets

Other assets include prepayments, accrued income and any bonds paid. These are all classed as current assets to be realised within 12 months.

##### (k) Cash and cash equivalents

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

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2018**

### **1 Summary of significant accounting policies (continued)**

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

#### **(I) Employee benefits**

Provision is made for the Corporation's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

### **2 Critical accounting estimates and judgments**

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 3 Revenue and other income

	Consolidated		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
Sales revenue				
- provision of services	<b>3,063,569</b>	2,918,403	<b>2,705,151</b>	1,925,850
Other revenue				
- royalties & gifts	<b>2,383,819</b>	1,922,203	<b>2,383,819</b>	1,922,203
- government grants	<b>11,995,196</b>	12,015,701	<b>11,995,196</b>	12,015,701
- interest received	<b>141,963</b>	135,696	<b>107,258</b>	134,311
- Government Rebates	<b>178,478</b>	167,568	<b>178,478</b>	167,568
	<b>14,699,456</b>	14,241,168	<b>14,664,751</b>	14,239,783
<b>Total Revenue</b>	<b>17,763,025</b>	17,159,571	<b>17,369,902</b>	16,165,632
Other income	<b>766,323</b>	565,778	<b>988,742</b>	526,250
<b>Total Other Income</b>	<b>766,323</b>	565,778	<b>988,742</b>	526,250

## Notes to the Financial Statements

For the Year Ended 30 June 2018

## 4 Other expenses

## (a) Expenses

	Consolidated		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
Bad debts	16,500	1,650	4,408	-
Cleaning	56,258	52,168	56,258	52,168
Community Support	35,687	9,560	35,687	9,560
Computer expenses	235,364	210,052	235,364	209,797
Electricity and water	168,680	188,982	168,680	173,505
Freight and cartage	158,260	95,682	158,260	95,436
Hire of equipment	28,002	24,187	28,002	31,453
Legal fees	103,793	71,895	103,793	71,895
Licences & Registrations	22,186	20,452	22,186	17,354
Minor plant & equipment	131,967	73,447	131,967	73,820
Meeting expenses	262,700	124,903	262,700	190,140
Permits, licenses and fees	100,873	17,354	100,873	51,683
Printing, stationery & postage	31,422	34,558	31,422	29,475
Rates and taxes	65,363	117,202	65,363	117,202
Repairs and maintenance	206,420	249,091	188,745	244,292
Sundry expenses	246,946	37,533	203,582	32,070
Telephone and fax	179,662	135,996	179,662	121,952
Total Other Expenses	<b>2,050,083</b>	1,464,713	<b>1,976,952</b>	1,521,801

## 5 Cash and cash equivalents

Cash at bank and in hand	<b>12,952,415</b>	12,401,102	<b>9,773,762</b>	11,981,366
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The Corporation receives Royalty payments from the Northern Land Council on behalf of the Yolgnu people of the Laynhapuy Homelands. These funds are restricted from the operations of the Corporation. The balance of these Royalties as at 30 June 2018 was \$3,006,587 (2017 \$4,602,793).

## Notes to the Financial Statements

For the Year Ended 30 June 2018

## 6 Trade and other receivables

	Consolidated		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
CURRENT				
Trade receivables	687,900	1,099,861	688,411	1,101,452
Provision for impairment (a)	(5,000)	(9,350)	(5,000)	(6,848)
<b>Total current trade and other receivables</b>	<b>682,900</b>	<b>1,090,511</b>	<b>683,411</b>	<b>1,094,604</b>

## (a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

Balance at beginning of the year	(9,350)	(9,350)	(6,848)	(6,848)
Doubtful debts	4,350	-	1,848	-
<b>Balance at end of the year</b>	<b>(5,000)</b>	<b>(9,350)</b>	<b>(5,000)</b>	<b>(6,848)</b>

## 7 Inventories

Stores and consumables	553,108	332,134	553,108	332,134
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## 8 Other assets

Prepayments	520,496	-	520,496	-
Accrued income	41,429	-	41,429	-
Bonds	26,287	26,287	26,287	26,287
	<b>588,212</b>	<b>26,287</b>	<b>588,212</b>	<b>26,287</b>

## 9 Related parties

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

The Parent Corporation, Laynhapuy Homelands Aboriginal Corporation has effective control of Laynhapuy Aviation Aboriginal Corporation.

## (a) The Group's related parties are as follows:

	Country of Incorporation	Percentage Controlled (%)	
		2018	2017
Laynhapuy Aviation Aboriginal Corporation	Australia	100	100
Miwatj Employment and Participation Ltd	Australia	50	50
Ganybu Housing Aboriginal Corporation	Australia	100	100

Miwatj Employment and Participation Ltd is not consolidated as part of the Group as the Group does not have control over the company. Miwatj Employment and Participation Ltd is a not for profit entity and cannot distribute to the Group. Laynhapuy Homelands Aboriginal Corporation controls Laynhapuy Aviation Aboriginal Corporation wholly. Laynhapuy Aviation Aboriginal Corporation is no longer operating and the Directors will be considering a special resolution to voluntarily wind up the Corporation at its Annual General Meeting on Friday, 30 November 2018. Laynhapuy Homelands also directly employed the staff who worked at Laynhapuy Aviation.

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 9 Related parties (continued)

Laynhapuy Homelands Aboriginal Corporation owns 50% of Miwatj Employment and Participation and sometimes contracts work through Miwatj Employment for projects on Laynhapuy Homelands. Laynhapuy Homelands has 3 board positions on the Miwatj Employment board, 2 for board members and 1 position for the CEO of Laynhapuy Homelands. During the year, the CEO of Laynhapuy Homelands Aboriginal Corporation resigned from the board of Miwatj Employment and Participation Ltd.

Laynhapuy Homelands Aboriginal Corporation owns and controls Ganybu Housing Aboriginal Corporation which was incorporated by the Office of the Registrar of Indigenous Corporations on 27 June 2017. As at 30 June 2018 the entity had completed four houses: two at Garthala, one at Gan Gan and one at Gurumurra, Two more houses will be constructed in the 2019 year.

#### (b) Entities exercising control over the Group

The ultimate parent entity, which exercises control over the Group, is Laynhapuy Homelands Aboriginal Corporation.

#### (c) Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

#### (d) Transactions with related parties

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

The following transactions occurred with related parties:

	Revenue & Other Income	Expenses	Balance outstanding	
			Owed to the corporation	Owed by the corporation
<b>2018</b>				
Laynhapuy Aviation Aboriginal Corporation	<b>306,531</b>	274,965	-	-
Ganybu Housing Aboriginal Corporation	<b>11,000</b>	-	<b>511</b>	-
Miwatj Employment & Participation Ltd	<b>8,272</b>	13,271	<b>175,241</b>	1,112
<b>2017</b>				
Laynhapuy Aviation Aboriginal Corporation	<b>209,000</b>	677,575	<b>71,850</b>	94,850
Miwatj Employment & Participation Ltd	<b>417,404</b>	1,904	<b>46,439</b>	-

## Notes to the Financial Statements

For the Year Ended 30 June 2018

## 10 Property, plant and equipment

	Consolidated		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
Buildings				
At cost	17,370,294	17,811,581	17,370,294	17,054,381
Accumulated depreciation	(6,283,690)	(6,484,271)	(6,283,690)	(5,757,746)
Total buildings	11,086,604	11,327,310	11,086,604	11,296,635
Plant and equipment				
At cost	3,567,808	3,468,044	3,567,808	3,468,011
Accumulated depreciation	(2,714,282)	(2,889,540)	(2,714,282)	(2,889,540)
Total plant and equipment	853,526	578,504	853,526	578,471
Furniture, fixtures and fittings				
At cost	510,672	510,672	510,672	510,672
Accumulated depreciation	(449,599)	(424,738)	(449,599)	(424,738)
Total furniture, fixtures and fittings	61,073	85,934	61,073	85,934
Motor vehicles				
At cost	3,622,073	3,382,152	3,622,073	3,381,737
Accumulated depreciation	(2,134,280)	(2,341,555)	(2,134,280)	(2,341,520)
Total motor vehicles	1,487,793	1,040,597	1,487,793	1,040,182
Infrastructure				
At cost	1,341,425	1,169,738	1,341,425	1,169,738
Accumulated depreciation	(354,665)	(315,714)	(354,665)	(315,714)
Total Infrastructure	986,760	854,024	986,760	854,024
Computers				
At cost	380,450	341,981	380,450	341,981
Accumulated depreciation	(265,408)	(221,076)	(265,408)	(221,076)
Total Computers	115,042	120,906	115,042	120,906
Aircraft				
At cost	-	772,829	-	-
Accumulated depreciation	-	(309,317)	-	-
Total Aircraft	-	463,512	-	-
<b>Total property, plant and equipment</b>	<b>14,590,797</b>	<b>14,470,789</b>	<b>14,590,797</b>	<b>13,976,187</b>

The administration building and workshop at 86 Galpu Road and the various staff housing at Yirrkala is situated upon Aboriginal land in which the group has no formal tenure. This land is administered under statute by the Northern Land Council.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2018**

### **10 Property, plant and equipment (continued)**

The Group has constructed and utilises various buildings and infrastructure at various community sites in the East Arnhem region and at the Gove airport within the Laynhapuy Homelands service area. The land is situated upon Aboriginal land in which the group has no formal tenure. This land is administered under statute by the Northern Land Council.

The value to the Group for buildings, infrastructure and improvements is dependent upon the Group's continuing tenure of the land in which the buildings, infrastructure and improvements are situated. The group has been endeavouring to negotiate formal leases with the Northern Land Council in order to obtain secure tenure over the land upon which buildings and infrastructure is constructed and utilised for a number of years. These negotiations are continuing.

In addition to the foregoing, the Corporation utilises land at Nhulunbuy upon which residential structures have been built. The allotments at Nhulunbuy are held on a leasehold basis, where by each allotment is subject to a 42 year lease between Rio Tinto Alcan and the Corporation.

## Notes to the Financial Statements

### For the Year Ended 30 June 2018

#### 10 Property, plant and equipment (continued)

##### (a) Movements in Carrying Amounts

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

	Computer Equipment	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Infrastructure	Aircraft	Total
Parent	\$	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2018</b>								
Balance at the beginning of year	120,905	11,296,635	578,504	85,934	1,040,182	854,024	-	13,976,184
Additions	38,469	315,913	432,106	-	884,882	171,687	-	1,843,057
Disposals			(511)	-	(70,340)		-	(70,851)
Depreciation expense	(44,332)	(525,944)	(156,574)	(24,861)	(366,931)	(38,951)	-	(1,157,593)
<b>Balance at the end of the year</b>	<b>115,042</b>	<b>11,086,604</b>	<b>853,525</b>	<b>61,073</b>	<b>1,487,793</b>	<b>986,760</b>	<b>-</b>	<b>14,590,797</b>

	Computer Equipment	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Infrastructure	Aircraft	Total
Consolidated	\$	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2018</b>								
Balance at the beginning of year	120,905	11,327,310	578,504	85,934	1,040,597	854,024	463,513	14,470,787
Additions	38,469	315,913	432,106	-	884,882	171,687	-	1,843,057
Disposals	-	(30,675)	(511)	-	(70,755)	-	(406,506)	(508,447)
Depreciation expense	(44,332)	(525,944)	(156,574)	(24,861)	(366,931)	(38,951)	(57,007)	(1,214,600)
<b>Balance at the end of the year</b>	<b>115,042</b>	<b>11,086,604</b>	<b>853,525</b>	<b>61,073</b>	<b>1,487,793</b>	<b>986,760</b>	<b>-</b>	<b>14,590,797</b>

## Notes to the Financial Statements

For the Year Ended 30 June 2018

## 11 Trade and other payables

	Consolidated		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
CURRENT				
Trade payables	1,502,776	734,251	1,502,776	521,281
GST payable	(11,037)	191,788	(11,037)	182,108
Other payables	301,112	719,933	301,112	697,277
Unexpended grants	1,399,522	1,650,025	1,399,522	1,650,025
	<b>3,192,373</b>	<b>3,295,997</b>	<b>3,192,373</b>	<b>3,050,691</b>

## 12 Borrowings

CURRENT				
Lease	40,904	38,874	40,904	38,874
Bank loan – secured	1,851,530	-	-	-
Total current borrowings	<b>1,892,434</b>	<b>38,874</b>	<b>40,904</b>	<b>38,874</b>
NON-CURRENT				
Lease	127,076	167,748	127,076	167,748
Total non-current borrowings	<b>127,076</b>	<b>167,748</b>	<b>127,076</b>	<b>167,748</b>

In January 2017 the Corporation entered in an agreement with Westpac Bank to provide an Equipment Finance Facility for the value of \$ 500,000, accessible as required. The security for the facility is 1 Jasmine Cl, Nhulunbuy, 1 Sava St Nhulunbuy, and 20 Husnes Av Nhulunbuy.

A new facility was established this year to fund the construction of house for traditional owners. The loan is secured against cash funds.

## 13 Employee benefits

Current liabilities				
Long service leave	281,388	221,195	281,388	221,195
Provision for RDO	40,609	48,929	40,609	48,929
Annual leave	513,605	532,415	513,605	532,415
	<b>835,602</b>	<b>802,538</b>	<b>835,602</b>	<b>802,538</b>
Non-current liabilities				
Long service leave	151,929	197,076	151,929	197,076
	<b>151,929</b>	<b>197,076</b>	<b>151,929</b>	<b>197,076</b>

## Notes to the Financial Statements

For the Year Ended 30 June 2018

### 14 Reserves

	Consolidated		Parent	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Asset realisation reserve</b>				
Opening balance	373,461	373,461	373,461	373,461
	<b>373,461</b>	373,461	<b>373,461</b>	373,461
<b>General reserve</b>				
Opening balance	64,500	64,500	-	-
Transfer to retained earnings	(64,500)	(64,500)	-	-
	-	-	-	-
<b>Total reserves</b>	<b>373,461</b>	373,461	<b>373,461</b>	373,461

#### (a) Asset revaluation reserve

The asset revaluation reserve records realised gains on revaluation of property, plant and equipment recorded at fair value.

### 15 Key management personnel disclosures

The total remuneration paid to key management personnel of the Corporation and the Group is \$1,126,751 (2017 \$921,923) .

### 16 Commitments and Contingencies

The Group has entered into a contract for the construction of 2 houses at Wanawuy at a cost of \$998,977. These house will be constructed in the 2019 year.

In the opinion of the Directors, the Corporation did not have any contingencies at 30 June 2018 (30 June 2017: None).

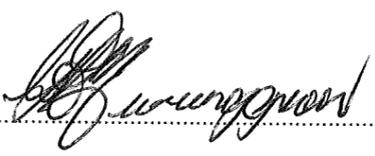
### 17 Events occurring after the reporting date

The financial report was authorised for issue on 29 November, 2018 by the Board of Directors.

**Directors Declaration**  
**For the Year Ended 30 June 2018**

1. The financial statements and notes, as set out on pages 6 to 23, are in accordance with the Corporations (Aboriginal and Torres Strait Islander) Act 2006 and:
  - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Corporation and consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ..... 

Director ..... 

Dated 29/11/18

## INDEPENDENT AUDITOR'S REPORT

To the members of Laynhapuy Homelands Aboriginal Corporation

### Report on the Audit of the Financial Report

#### Opinion

We have audited the consolidated financial report of Laynhapuy Homelands Aboriginal Corporation (the Corporation) and its subsidiaries (the group), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) Giving a true and fair view of the Corporation's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements, and the *Corporations (Aboriginal and Torres Strait Islander) Regulations 2017*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Corporation in accordance with the auditor independence requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, which has been given to the directors of the 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.

### **Other information**

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information, and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of 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 in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the Financial Report**

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

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

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

### Report on Other Legal and Regulatory Requirements

In conducting our audit engagement for the financial year ended 30 June 2018, in our opinion:

- (a) We have been given all information, explanations and assistance necessary for the conduct of the audit;
- (b) The Corporation has kept financial records sufficient to enable the financial report to be prepared and audited; and
- (c) The Corporation has kept other records and registers as required by the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

### Responsibilities for the Other Legal and Regulatory Requirements

The directors of the Corporation are responsible for the preparation and presentation of the financial report in accordance with the Corporations (Aboriginal and Torres Strait Islander) Act 2006 and the Corporations (Aboriginal and Torres Strait Islander) Regulations 2017. Our responsibility is to express an opinion on the above matters based on our audit conducted in accordance with Australian Auditing Standards.

BDO

**BDO Audit (NTH QLD) Pty Ltd**



Margaret Dewhurst

Director

Cairns, 29 November 2018