

Laynhapuy Homelands Aboriginal Corporation

ABN: 86 695 642 473

Consolidated Financial Statements

For the Year Ended 30 June 2015

Laynhapuy Homelands Aboriginal Corporation

ABN: 86 695 642 473

Contents

For the Year Ended 30 June 2015

	Page
Financial Statements	
Directors' Report	1
Auditors Independence Declaration under Section 339-50 of the Corporations (Aboriginal and Torres Strait Islander) Act 2006	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	23
Independent Audit Report	24



Tel: +61 7 4046 0000
Fax: +61 7 4051 3484
www.bdo.com.au

Level 1, 15 Lake St
Cairns QLD 4870
PO Box 6771 Cairns QLD 4870
AUSTRALIA

**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 2015, 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, 28 September 2015

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$	\$	\$	\$
Revenue	3	16,328,293	17,324,234	15,127,190	16,195,968
Other income	3	40,801	9,626	-	-
Cost of Sales		(1,599,947)	(1,657,977)	-	-
Employee benefits expense		(7,316,790)	(8,211,009)	(7,195,321)	(8,216,471)
Depreciation and amortisation expense		(1,485,425)	(1,539,380)	(1,348,346)	(1,485,005)
Loss on disposal of plant & equipment		(87,646)	-	(87,646)	-
Prior Year Expense		-	(5,818)	-	-
Other expenses	4	(4,248,665)	(6,286,334)	(4,640,472)	(6,824,863)
Finance costs		(74,658)	(79,744)	(72,435)	(76,508)
Surplus (deficit) before income tax		1,555,964	(446,402)	1,782,970	(406,879)
Income tax expense		-	-	-	-
Surplus (deficit) for the year		1,555,964	(446,402)	1,782,970	(406,879)
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		1,555,964	(446,402)	1,782,970	(406,879)
Total comprehensive income attributable to:					
Members of the parent entity		1,555,964	(446,402)	1,782,970	(406,879)
		1,555,964	(446,402)	1,782,970	(406,879)

Statement of Financial Position

30 June 2015

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	8,846,895	5,618,712	8,449,509	5,156,940
Trade and other receivables	6	403,273	280,450	354,725	256,273
Inventories	7	187,605	212,447	187,605	212,447
Other assets	8	286,849	631,427	283,929	631,427
TOTAL CURRENT ASSETS		9,724,622	6,743,036	9,275,768	6,257,087
NON-CURRENT ASSETS					
Investments in subsidiaries	9	-	-	2	2
Property, plant and equipment	10	15,521,782	16,311,923	14,699,218	15,431,052
TOTAL NON-CURRENT ASSETS		15,521,782	16,311,923	14,699,220	15,431,054
TOTAL ASSETS		25,246,404	23,054,959	23,974,988	21,688,141
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	11	3,487,745	2,850,281	3,245,082	2,721,563
Borrowings	12	772,117	801,426	772,117	801,426
Employee benefits	13	778,473	757,467	778,473	757,467
Amounts received in advance		17,659	-	-	-
TOTAL CURRENT LIABILITIES		5,055,994	4,409,174	4,795,672	4,280,456
NON-CURRENT LIABILITIES					
Employee benefits	13	243,452	254,793	243,452	254,793
TOTAL NON-CURRENT LIABILITIES		243,452	254,793	243,452	254,793
TOTAL LIABILITIES		5,299,446	4,663,967	5,039,124	4,535,249
NET ASSETS		19,946,957	18,390,992	18,935,864	17,152,894
EQUITY					
Reserves	14	437,459	437,459	373,461	373,461
Retained surplus		19,509,498	17,953,533	18,562,403	16,779,433
TOTAL EQUITY		19,946,957	18,390,992	18,935,864	17,152,894

Statement of Changes in Equity

For the Year Ended 30 June 2015

2015

	Parent		
	Retained Surplus	Asset Revaluation Surplus	General Reserves
	\$	\$	\$
Balance at 1 July 2014	16,779,433	373,461	-
Total comprehensive income for the year			
Profit attributable to members of the entity	1,782,970	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,782,970	-	-
Balance at 30 June 2015	18,562,403	373,461	-

2014

	Parent		
	Retained Surplus	Asset Revaluation Surplus	General Reserves
	\$	\$	\$
Balance at 1 July 2013	17,186,312	373,461	-
Total comprehensive income for the year			
Loss attributable to members of the entity	(406,879)	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	(406,879)	-	-
Balance at 30 June 2014	16,779,433	373,461	-

2015

	Consolidated		
	Retained Surplus	Asset Revaluation Surplus	General Reserves
	\$	\$	\$
Balance at 1 July 2014	17,953,534	373,461	63,998
Total comprehensive income for the year			
Profit attributable to members of the entity	1,555,964	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,555,964	-	-
Balance at 30 June 2015	19,509,498	373,461	63,998

2014

	Consolidated		
	Retained Surplus	Asset Revaluation Surplus	General Reserves
	\$	\$	\$
Balance at 1 July 2013	18,399,936	373,461	63,998
Total comprehensive income for the year			
Loss attributable to members of the entity	(446,402)	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	(446,402)	-	-
Balance at 30 June 2014	17,953,533	373,461	63,998

Laynhapuy Homelands Aboriginal Corporation

ABN: 88 695 642 473

Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	Consolidated		Parent	
		2015	2014	2015	2014
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers		16,040,390	16,972,379	14,808,820	15,831,685
Payments to suppliers and employees		(12,020,867)	(17,702,730)	(10,804,960)	(16,453,801)
Interest received		95,555	88,879	94,609	86,909
Finance costs		(74,658)	(79,744)	(72,435)	(76,508)
Net cash provided by (used in) operating activities		<u>4,040,420</u>	<u>(721,216)</u>	<u>4,026,034</u>	<u>(611,715)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment		(782,930)	(1,163,708)	(704,158)	(952,907)
Net cash used by investing activities		<u>(782,930)</u>	<u>(1,163,708)</u>	<u>(704,158)</u>	<u>(952,907)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:					
Advances/(repayments) from/(to) other entities		(29,307)	(26,249)	(29,307)	(126,252)
Net cash used by financing activities		<u>(29,307)</u>	<u>(26,249)</u>	<u>(29,307)</u>	<u>(126,252)</u>
Net increase (decrease) in cash and cash equivalents held		3,228,183	(1,911,173)	3,292,569	(1,690,874)
Cash and cash equivalents at beginning of year		<u>5,618,712</u>	<u>7,529,885</u>	<u>5,156,940</u>	<u>6,847,814</u>
Cash and cash equivalents at end of financial year	5	<u>8,846,895</u>	<u>5,618,712</u>	<u>8,449,509</u>	<u>5,156,940</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2015

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 prepare 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 2015 were authorised for issue in accordance with a resolution of the Directors on 24 September 2015

1 Summary of Significant Accounting Policies

(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 cashflows 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 9 to the financial statements.

(c) Income Tax

No provision for income tax has been raised as the Corporation is exempt from income tax under Div 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.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

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;
- 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 2015

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.

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 payable 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 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 2015

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 years
Plant and Equipment	5-15 years
Furniture, Fixtures and Fittings	5-10 years
Motor Vehicles	5 years
Infrastructure	30 years
Aircraft and aircraft engines	5-20 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.

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(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.

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.

(l) 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. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(m) New Accounting Standards and Interpretations

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

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

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

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 2015

3 Revenue and Other Income

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
Sales revenue				
- sale of goods	1,259,553	1,429,322	-	-
- provision of services	1,805,430	2,157,251	1,864,826	2,460,277
	<u>3,064,983</u>	<u>3,586,573</u>	<u>1,864,826</u>	<u>2,460,277</u>
- interest received	95,555	88,879	94,609	86,909
Other revenue				
- royalties	1,376,269	733,174	1,376,269	733,174
- operating grants	11,590,473	12,767,909	11,590,473	12,767,909
- Government Rebates	201,013	147,699	201,013	147,699
	<u>13,263,310</u>	<u>13,737,661</u>	<u>13,262,364</u>	<u>13,735,691</u>
Total Revenue	<u>16,328,293</u>	<u>17,324,234</u>	<u>15,127,190</u>	<u>16,195,968</u>
Other Income				
Other Income	40,801	9,626	-	-
	<u>40,801</u>	<u>9,626</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

4 Other expenses

(a) Expenses

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
Accounting fees	111,453	65,655	111,453	65,655
Advertising	251	33,658	-	32,071
Audit fees	46,669	127,750	46,669	127,750
Audit fees - Laynha Air	5,250	(3,450)	-	-
Bad debts	(10,036)	(12,092)	(12,712)	(13,479)
Cleaning	50,042	57,501	50,042	57,501
Consultant & Contract Fees	301,946	1,305,119	308,268	1,341,983
Community Support	1,000	1,554	-	-
Computer expenses	81,838	58,345	80,828	58,105
Electricity and water	8,949	3,216	-	-
Equipment < \$300	-	397,787	-	397,787
Freight and cartage	39,716	100,988	34,659	103,305
Fuel	81,011	69,367	61,587	69,367
Hire of equipment	15,639	110,433	15,639	115,329
Insurance	460,196	506,678	390,616	422,109
Legal fees	5,313	21,085	5,313	21,085
Licences & Registrations	56,344	82,752	52,760	82,752
Materials, parts & supplies	1,788,803	2,345,362	1,795,525	2,342,954
Minor plant & equipment	39,846	76,629	33,823	75,129
Meeting fees	78,218	68,818	132,355	70,509
Permits, licenses and fees	7,577	16,282	7,577	16,282
Printing, stationery & postage	28,083	36,979	26,130	34,992
Project & homeland maintenance expenses	192,355	-	212,255	-
Protective clothing	112,130	39,005	112,130	39,005
Rates and taxes	189,022	182,407	187,005	180,153
Repairs and maintenance	178,021	99,749	164,254	99,749
Telephone and fax	145,689	171,814	131,604	158,681
Travel & accommodation	230,369	322,942	692,694	926,089
Total Other Expenses	4,245,694	6,286,333	4,640,474	6,824,863
Interest expense	74,658	79,744	72,435	76,508
Employee costs	6,766,947	7,714,563	6,645,479	7,720,025
Superannuation	549,843	496,446	549,843	496,446

5 Cash and cash equivalents

Cash at bank and in hand	8,846,895	5,618,712	8,449,509	5,156,940
	8,846,895	5,618,712	8,449,509	5,156,940

Notes to the Financial Statements

For the Year Ended 30 June 2015

6 Trade and other receivables

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
CURRENT				
Trade receivables	408,457	331,392	359,845	301,712
Provision for impairment (a)	(7,621)	(50,942)	(5,120)	(45,439)
	400,836	280,450	354,725	256,273
GST receivable	2,437	-	-	-
Total current trade and other receivables	403,273	280,450	354,725	256,273

(a) Impairment of receivables

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

Balance at beginning of the year	(50,942)	(129,689)	(45,639)	(102,347)
Written off	43,321	78,747	40,519	56,708
Balance at end of the year	(7,621)	(50,942)	(5,120)	(45,639)

7 Inventories

CURRENT

At cost:

Finished goods	187,605	212,447	187,605	212,447
	187,605	212,447	187,605	212,447

8 Other non-financial assets

CURRENT

Prepayments	2,920	485,519	-	485,519
Accrued income	239,239	90,318	239,239	90,318
Bonds paid	44,690	55,590	44,690	55,590
	286,849	631,427	283,929	631,427

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 owns 2 shares worth \$1 each in Laynhapuy Aviation Aboriginal Corporation.

Transaction with related parties:

Notes to the Financial Statements

For the Year Ended 30 June 2015

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

	Country of Incorporation	Percentage Owned (%)	
		2015	2014
Laynhapuy Aviation Aboriginal Corporation	Australia	100	100
Miwatj Employment and Participation Ltd	Australia	50	50

Miwatj Employment and Participation Ltd is not consolidated as part of the Group as the Group does not have control over the company.

Laynhapuy Homelands Aboriginal Corporation wholly owns Laynhapuy Aviation Aboriginal Corporation and uses the Aviation services as needed. Laynhapuy Homelands also directly employs the staff who work at Laynhapuy Aviation.

Laynhapuy Homelands Aboriginal Corporation owns 50% of Miwatj Employment and Participation and sometimes contracts work through Miwatj Employment for project 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.

(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
2015				
Laynhapuy Aviation Aboriginal Corporation	225,107	606,520	36,793	63,295
Miwatj Employment & Participation Ltd	371,825	1,941	32,141	-
2014				
Laynhapuy Aviation Aboriginal Corporation	270,280	639,924	26,457	103,465
Miwatj Employment & Participation Ltd	226,235	12,571	22,691	-

Notes to the Financial Statements

For the Year Ended 30 June 2015

10 Property, plant and equipment

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
Buildings				
At cost	17,705,120	17,055,955	16,982,275	16,333,109
Accumulated depreciation	(5,724,524)	(5,217,511)	(5,034,045)	(4,527,878)
Total buildings	11,980,596	11,838,444	11,948,230	11,805,231
Capital works in progress				
At cost	102,026	640,464	102,026	640,464
Total capital works in progress	102,026	640,464	102,026	640,464
Plant and equipment				
At cost	3,655,574	4,121,803	3,655,574	4,121,803
Accumulated depreciation	(2,769,265)	(2,848,695)	(2,769,265)	(2,848,695)
Total plant and equipment	886,309	1,273,108	886,309	1,273,108
Furniture, fixtures and fittings				
At cost	1,032,225	1,032,225	1,032,225	1,032,225
Accumulated depreciation	(873,112)	(835,481)	(873,112)	(835,481)
Total furniture, fixtures and fittings	159,113	196,744	159,113	196,744
Motor vehicles				
At cost	2,789,400	2,931,608	2,723,974	2,866,182
Accumulated depreciation	(2,090,196)	(2,345,991)	(2,048,185)	(2,317,065)
Total motor vehicles	699,204	585,617	675,789	549,117
Infrastructure				
At cost	1,165,616	1,165,616	1,165,616	1,165,616
Accumulated depreciation	(237,865)	(199,228)	(237,865)	(199,228)
Total Infrastructure	927,751	966,388	927,751	966,388
Aircraft				
At cost	985,641	906,869	-	-
Accumulated depreciation	(218,858)	(95,711)	-	-
Total Aircraft	766,783	811,158	-	-
Total property, plant and equipment	15,521,782	16,311,923	14,699,218	15,431,052

Buildings and Infrastructure

The administration building and workshop at 86 Galpu Road and the various staff housing at Yirkala 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 2015

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.

Laynhapuy Homelands Aboriginal Corporation

ABN: 86 695 642 473

Notes to the Financial Statements

For the Year Ended 30 June 2015

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:

Parent	Capital Works in Progress	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Infrastructure	Aircraft	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2015								
Balance at the beginning of year	640,464	11,805,231	1,273,108	196,744	549,117	966,388	-	15,431,052
Additions	102,026	8,702	249,994		343,436			704,158
Disposals			(87,646)					(87,646)
Transfers	(640,464)	640,464						-
Depreciation expense	-	(506,167)	(549,147)	(37,631)	(216,765)	(38,637)	-	(1,348,346)
Balance at the end of the year	102,026	11,948,230	886,309	159,113	675,789	927,751	-	14,699,218

Consolidated	Capital Works in Progress	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Infrastructure	Aircraft	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2015								
Balance at the beginning of year	640,464	11,838,444	1,273,108	196,744	585,617	966,388	811,158	16,311,923
Additions	102,026	8,702	249,994		343,436		78,772	782,930
Disposals			(87,646)					(87,646)
Transfers	(640,464)	640,464						-
Depreciation expense	-	(507,014)	(549,147)	(37,631)	(229,849)	(38,637)	(123,147)	(1,485,424)
Balance at the end of the year	102,026	11,980,596	886,309	159,113	699,204	927,751	766,783	15,521,782

Notes to the Financial Statements

For the Year Ended 30 June 2015

11 Trade and other payables

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
CURRENT				
Trade payables	940,374	713,826	705,730	594,949
GST payable	156,694	200,241	156,694	198,439
Accrued expenses	8,019	8,039	-	-
Other payables	1,580,924	957,778	1,580,924	957,778
Unexpended grants	801,734	970,397	801,734	970,397
	<u>3,487,745</u>	<u>2,850,281</u>	<u>3,245,082</u>	<u>2,721,563</u>

12 Borrowings

CURRENT

Secured liabilities:

Bank loan - secured

Total current borrowings

	772,117	801,426	772,117	801,426
	<u>772,117</u>	<u>801,426</u>	<u>772,117</u>	<u>801,426</u>

The bank loans are made up of 2 loans with the Westpac Bank. Loan 1 for \$282,620.98 is for the Sava Street Units. The loan matures 05/04/2029 and the current interest rate is 6.51%. Loan 2 for \$489,496.32 is for 1 Jasmine Close. The loan matures 01/10/2036 and the current interest rate is 5.48%. The security for both loans is the following: 1 Jasmine Ct Nhulunbuy, 1 Sava St Nhulunbuy, 9 Klyn Ct Nhulunbuy and 20 Husnes Av Nhulunbuy. Total carrying value \$873,225.

13 Employee Benefits

Current liabilities

Long service leave

Provision for RDO

Annual leave

	168,654	156,932	168,654	156,932
	55,801	34,291	55,801	34,291
	554,018	566,244	554,018	566,244
	<u>778,473</u>	<u>757,467</u>	<u>778,473</u>	<u>757,467</u>

Non-current liabilities

Long service leave

	243,452	254,793	243,452	254,793
	<u>243,452</u>	<u>254,793</u>	<u>243,452</u>	<u>254,793</u>

Notes to the Financial Statements

For the Year Ended 30 June 2015

14 Reserves

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
Asset realisation reserve				
Opening balance	373,461	373,461	373,461	373,461
	373,461	373,461	373,461	373,461
General reserve				
Opening balance	64,000	63,998	-	-
	64,000	63,998	-	-
Total reserves	437,461	437,459	373,461	373,461

(a) Asset revaluation reserve

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

(b) General reserve

The general reserve records funds set aside for future expansion of the Group.

15 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Corporation and the Group is \$ 442,821 (2014: \$ 467,541).

16 Contingencies

In the opinion of the Directors, the Corporation did not have any contingencies at 30 June 2015 (30 June 2014: None).

17 Events Occurring After the Reporting Date

The financial report was authorised for issue on 24 of September 2015 by the Board of Directors.

An insurance claim of \$2,747,240 was approved after 30 June 2015 and funds were received on 4 August 2015. The insurance claim was for damage related to Cyclone Nathan in March 2015.

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

Laynhapuy Homelands Aboriginal Corporation

ABN: 86 696 642 473

Directors' Declaration

The directors of the Corporation declare that:

1. The financial statements and notes, as set out on pages 6 to 22, 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 2015 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 yali Munungurr

Director 

Dated 24.9.15



Tel: +61 7 4046 0000
Fax: +61 7 4051 3484
www.bdo.com.au

Level 1, 15 Lake St
Cairns QLD 4870
PO Box 6771 Cairns QLD 4870
AUSTRALIA

INDEPENDENT AUDITOR'S REPORT

To the members of Laynhapuy Homelands Aboriginal Corporation

Report on the Financial Report

We have audited the accompanying financial report of Laynhapuy Homelands Aboriginal Corporation, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company 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 with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

Opinion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

Compliance with the Corporations (Aboriginal and Torres Strait Islander) Act 2006

- (a) The auditor has 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 this Act.

BDO

BDO Audit (NTH QLD) Pty Ltd



Margaret Dewhurst

Director

Cairns, 28 September 2015

