7657

Laynhapuy Homelands Aboriginal Corporation

ABN: 86 695 642 473

Consolidated Financial Statements

For the Year Ended 30 June 2016

Contents

For the Year ended 30 June 2016

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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 2016, 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 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.

MDewhurst.

Margaret Dewhurst

Director

BDO

BDO Audit (NTH QLD) Pty Ltd

Cairns, 12 October 2016

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2016

		Consolidated		Parent	
		2016	2015	2016	2015
	Note	$	$	$	$
Revenue	3	**17,267,821**	16,328,293	**16,541,774**	15,127,190
Other income	3	**3,458,032**	40,801	**3,082,365**	-
Cost of Sales		**(1,744,448)**	(1,599,947)	**-**	-
Employee benefits expense		**(7,654,003)**	(7,316,790)	**(7,584,184)**	(7,195,321)
Depreciation and amortisation expense		**(1,453,406)**	(1,485,425)	**(1,322,860)**	(1,348,346)
Profit/Loss on disposal of plant & equipment		**120,568**	(87,646)	**60,755**	(87,646)
Other expenses	4	**(7,117,771)**	(4,248,665)	**(7,747,369)**	(4,640,472)
Finance costs		**(45,832)**	(74,658)	**(45,832)**	(72,435)
Surplus (deficit) before income tax		**2,830,961**	1,555,964	**2,984,649**	1,782,970
Income tax expense		**-**	-	**-**	-
Surplus (deficit) for the year		**2,830,961**	1,555,964	**2,984,649**	1,782,970
Other comprehensive income for the year, net of tax		**-**	-		-
Total comprehensive income for the year		**2,830,961**	1,555,964	**2,984,649**	1,782,970
Total comprehensive income attributable to:					
Members of the parent entity		**2,830,961**	1,555,964	**2,984,649**	1,782,970
		2,830,961	1,555,964	**2,984,649**	1,782,970

The accompanying notes form part of these financial statements.

Statement of Financial Position

30 June 2016

		Consolidated		Parent	
		2016	2015	2016	2015
	Note	$	$	$	$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	**12,220,423**	8,846,895	**11,712,964**	8,449,509
Trade and other receivables	6	**159,225**	403,273	**173,486**	354,725
Inventories	7	**340,007**	187,605	**340,007**	187,605
Other assets	8	**82,864**	286,849	**68,507**	283,929
TOTAL CURRENT ASSETS		**12,802,519**	9,724,622	**12,294,964**	9,275,768
NON-CURRENT ASSETS					
Investments in subsidiaries	9	**-**	-	**-**	2
Property, plant and equipment	10	**14,454,489**	15,521,782	**13,877,997**	14,699,218
TOTAL NON-CURRENT ASSETS		**14,454,489**	15,521,782	**13,877,997**	14,699,220
TOTAL ASSETS		**27,257,008**	25,246,404	**26,172,961**	23,974,988
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	11	**2,776,398**	3,487,745	**2,550,257**	3,245,082
Borrowings	12	**739,711**	772,117	**739,711**	772,117
Employee benefits	13	**735,644**	778,473	**735,644**	778,473
Amounts received in advance		**-**	17,659	**-**	-
TOTAL CURRENT LIABILITIES		**4,251,753**	5,055,994	**4,025,612**	4,795,672
NON-CURRENT LIABILITIES					
Employee benefits	13	**226,837**	243,452	**226,837**	243,452
TOTAL NON-CURRENT LIABILITIES		**226,837**	243,452	**226,837**	243,452
TOTAL LIABILITIES		**4,478,590**	5,299,446	**4,252,449**	5,039,124
NET ASSETS		**22,778,418**	19,946,957	**21,920,512**	18,935,864
EQUITY					
Reserves	14	**437,959**	437,459	**373,461**	373,461
Retained surplus		**22,340,459**	19,509,498	**21,547,051**	18,562,403
TOTAL EQUITY		**22,778,418**	19,946,957	**21,920,512**	18,935,864

The accompanying notes form part of these financial statements.

Laynhapuy Homelands Aboriginal Corporation
ABN: 86 695 642 473

Statement of Changes in Equity
For the Year Ended 30 June 2016

2016 — Parent

	Retained Earnings $	Asset Revaluation Surplus $	General Reserves $	Total $
Balance at 1 July 2015	**18,562,403**	**373,461**	-	**18,935,864**
Total comprehensive income for the year				
Profit attributable to members of the entity	**2,984,648**	-	-	**2,984,648**
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**2,984,648**	-	-	**2,984,648**
Balance at 30 June 2016	**21,547,051**	**373,461**	-	**21,920,512**

2015 — Parent

	Retained Earnings $	Asset Revaluation Surplus $	General Reserves $	Total $
Balance at 1 July 2014	16,779,433	373,461	-	17,152,894
Total comprehensive income for the year				
Loss attributable to members of the entity	1,782,970	-	-	1,782,970
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	1,782,970	-	-	1,782,970
Balance at 30 June 2015	18,562,403	373,461	-	18,935,864

2016 — Consolidated

	Retained Earnings $	Asset Revaluation Surplus $	General Reserves $	Total $
Balance at 1 July 2015	**19,509,498**	**373,461**	**63,998**	**19,946,957**
Total comprehensive income for the year				
Profit attributable to members of the entity	**2,830,961**	-	**500**	**2,831,461**
Other comprehensive income		-	-	-
Total comprehensive income for the year	**2,830,961**	-	**500**	**2,831,461**
Balance at 30 June 2016	**22,340,459**	**373,461**	**64,498**	**22,778,418**

2015 — Consolidated

	Retained Earnings $	Asset Revaluation Surplus $	General Reserves $	Total $
Balance at 1 July 2014	17,953,534	373,461	63,998	18,390,993
Total comprehensive income for the year				
Loss attributable to members of the entity	1,555,964	-	-	1,555,964
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	1,555,964	-	-	1,555,964
Balance at 30 June 2015	19,509,498	373,461	63,998	19,946,957

The accompanying notes form part of these financial statements.

Laynhapuy Homelands Aboriginal Corporation
ABN: 86 695 642 473

Statement of Cash Flows
For the Year Ended 30 June 2016

		Consolidated		Parent	
		2016	2015	2016	2015
	Note	$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers		**21,028,875**	16,040,390	**19,883,309**	14,808,820
Payments to suppliers and employees		**(17,449,717)**	(12,020,867)	**(16,236,496)**	(10,804,960)
Interest received		**137,653**	95,555	**135,763**	94,609
Finance costs		**(45,832)**	(74,658)	**(45,832)**	(72,435)
Net cash provided by (used in) operating activities	18	**3,670,979**	4,040,420	**3,736,744**	4,026,034
CASH FLOWS FROM INVESTING ACTIVITIES:					
Sale of property, plant and equipment		**260,192**	-	**60,693**	-
Purchase of property, plant and equipment		**(525,737)**	(782,930)	**(501,576)**	(704,158)
Prior year correction to cash		**500**	-	**-**	-
Net cash used by investing activities		**(265,045)**	(782,930)	**(440,883)**	(704,158)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Advances/(repayments) from/(to) other entities		**(32,406)**	(29,307)	**(32,406)**	(29,307)
Net cash used by financing activities		**(32,406)**	(29,307)	**(32,406)**	(29,307)
Net increase (decrease) in cash and cash equivalents held		**3,373,528**	3,228,183	**3,263,455**	3,292,569
Cash and cash equivalents at beginning of year		**8,846,895**	5,618,712	**8,449,509**	5,156,940
Cash and cash equivalents at end of financial year	5	**12,220,423**	8,846,895	**11,712,964**	8,449,509

The accompanying notes form part of these financial statements.

1 Summary of Significant Accounting Policies continued

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 2016 were authorised for issue in accordance with a resolution of the Directors on 19 October 2016

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

1 **Summary of Significant Accounting Policies continued**

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 2016

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 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 2016

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
Aircraft – Air Frame	20 years
Aircraft - Engines	Flying Hours
Aircraft – Major Inspections	Flying Hours
Aircraft – Engine Parts	Flying Hours
Aircraft – Non Engine Parts	10 years

Notes to the Financial Statements
For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies continued

During the 2015/16 financial year management reviewed the depreciation method and remaining useful life for all aircraft related fixed assets. In some cases, (primarily aircraft engines, engine parts and major inspections) the depreciation method was changed from straight line to unit of production as this more accurately reflects the pattern of usage for these assets. A change was also made in the remaining useful life of certain aircraft air frames to more accurately reflect the remaining useful life for these assets.

(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.

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 2016

3 Revenue and Other Income

	Consolidated		Parent	
	2016	2015	2016	2015
	$	$	$	$
Sales revenue				
- sale of goods	**1,108,418**	1,259,553	**-**	-
- provision of services	**988,444**	1,805,430	**1,372,705**	1,864,826
	2,096,862	3,064,983	**1,372,705**	1,864,826
- interest received	**137,653**	95,555	**135,763**	94,609
Other revenue				
- royalties & gifts	**1,966,758**	1,376,269	**1,966,758**	1,376,269
- operating grants	**12,908,240**	11,590,473	**12,908,240**	11,590,473
- Government Rebates	**158,308**	201,013	**158,308**	201,013
	15,033,306	13,263,310	**15,033,306**	13,262,364
Total Revenue	**17,267,821**	16,328,293	**16,541,774**	15,127,190

Insurance proceeds	**3,082,365**	-	**3,082,365**	-
Other income	**375,667**	40,801	**-**	-
Total Other Income	**3,458,032**	40,801	**3,082,365**	-

4 Other expenses

(a) Expenses

	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
Accounting fees	**63,978**	111,453	**62,294**	111,453
Advertising	**655**	251	**-**	-
Audit fees	**50,225**	46,669	**50,225**	46,669
Audit fees - Laynha Air	**6,215**	5,250	**-**	-
Bad debts	**1,136**	(10,036)	**-**	(12,712)
Cleaning	**47,105**	50,042	**47,105**	50,042
Consultant & Contract Fees	**2,720,770**	301,946	**2,720,770**	308,268
Community Support	**42,958**	1,000	**94,860**	-
Computer expenses	**98,565**	81,838	**98,565**	80,828
Electricity and water	**141,288**	8,949	**126,826**	-
Freight and cartage	**75,047**	39,716	**71,385**	34,659
Fuel	**57,231**	81,011	**38,892**	61,587
Hire of equipment	**42,251**	15,639	**46,796**	15,639
Insurance	**431,885**	460,196	**373,276**	390,616
Legal fees	**37,310**	5,313	**37,310**	5,313
Licences & Registrations	**49,144**	56,344	**45,526**	52,760
Materials, parts & supplies	**1,348,784**	1,788,803	**1,352,643**	1,795,525
Minor plant & equipment	**85,162**	39,846	**72,915**	33,823
Meeting fees	**68,634**	78,218	**109,502**	132,355
Permits, licenses and fees	**9,704**	7,577	**9,704**	7,577
Printing, stationery & postage	**43,640**	28,083	**35,292**	26,130
Project & homeland maintenance expenses	**290,670**	192,355	**305,095**	212,255
Protective clothing	**-**	112,130	**-**	112,130
Rates and taxes	**57,975**	189,022	**57,975**	187,005
Repairs and maintenance	**947,784**	178,021	**938,442**	164,254
Telephone and fax	**152,177**	145,689	**137,096**	131,604
Travel & accommodation	**247,478**	230,369	**914,875**	692,694
Total Other Expenses	**7,117,771**	4,245,694	**7,747,369**	4,640,474
Interest expense	**45,832**	74,658	**45,832**	72,435
Employee costs	**7,065,618**	6,766,947	**6,995,800**	6,645,479
Superannuation	**588,385**	549,843	**588,385**	549,843

5 Cash and cash equivalents

	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
Cash at bank and in hand	**12,220,423**	8,846,895	**11,712,964**	8,449,509
	12,220,423	8,846,895	**11,712,964**	8,449,509

The Corporation receives Royalty payments from the NLC 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 2016 was $ 3,462,459 (2015: $ 1,313,028).

Notes to the Financial Statements
For the Year Ended 30 June 2016

6 Trade and other receivables

		Consolidated		Parent	
		2016	2015	2016	2015
		$	$	$	$
CURRENT					
Trade receivables		**168,575**	408,457	**180,334**	359,845
Provision for impairment	(a)	**(9,350)**	(7,621)	**(6,848)**	(5,120)
		159,225	400,836	**173,486**	354,725
GST receivable		**-**	2,437	**-**	-
Total current trade and other receivables		**159,225**	403,273	**173,486**	354,725

(a) Impairment of receivables

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

Balance at beginning of the year	**(7,621)**	(50,942)	**(5,120)**	(45,639)
Doubtful debts	**(2,866)**		**(1,728)**	-
Written off	**1,137**	43,321	**-**	40,519
Balance at end of the year	**(9,350)**	(7,621)	**(6,848)**	(5,120)

7 Inventories

CURRENT				
At cost:				
Finished goods	**340,007**	187,605	**340,007**	187,605
	340,007	187,605	**340.007**	187,605

8 Other non-financial assets

CURRENT				
Prepayments	**14,357**	2,920	**-**	-
Accrued income	**54,083**	239,239	**54,083**	239,239
Bonds paid	**14,424**	44,690	**14,424**	44,690
	82,864	286,849	**68,507**	283,929

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 Laynhapuy Aviation Aboriginal Corporation.

Transaction with related parties:

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

	Country of Incorporation	Percentage Controlled (%) 2016	Percentage Controlled (%) 2015
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 controls Laynhapuy Aviation Aboriginal Corporation and uses the Aviation services as needed. Laynhapuy Homelands also directly employs the staff who works at Laynhapuy Aviation.

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.

(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:

			Balance outstanding	
	Revenue & Other Income	Expenses	Owed to the corporation	Owed by the corporation
2016				
Laynhapuy Aviation Aboriginal Corporation	243,514	913,506	81,119	51,470
Miwatj Employment & Participation Ltd	261,833	4,390	14,257	-
2015				
Laynhapuy Aviation Aboriginal Corporation	225,107	606,520	36,793	63,295
Miwatj Employment & Participation Ltd	371,825	1,941	32,141	-

Notes to the Financial Statements

For the Year Ended 30 June 2016

10 Property, plant and equipment

	Consolidated		Parent	
	2016	2015	2016	2015
	$	$	$	$
Buildings				
At cost	**17,592,701**	17,705,120	**16,869,855**	16,982,275
Accumulated depreciation	**(5,924,262)**	(5,724,524)	**(5,232,937)**	(5,034,045)
Total buildings	**11,668,439**	11,980,596	**11,636,918**	11,948,230
Capital works in progress				
At cost	**-**	102,026	**-**	102,026
Total capital works in progress	**-**	102,026	**-**	102,026
Plant and equipment				
At cost	**3,690,493**	3,655,574	**3,690,493**	3,655,574
Accumulated depreciation	**(3,246,388)**	(2,769,265)	**(3,246,388)**	(2,769,265)
Total plant and equipment	**444,105**	886,309	**444,105**	886,309
Furniture, fixtures and fittings				
At cost	**702,043**	1,032,225	**702,043**	1,032,225
Accumulated depreciation	**(579,159)**	(873,112)	**(579,159)**	(873,112)
Total furniture, fixtures and fittings	**122,884**	159,113	**122,884**	159,113
Motor vehicles				
At cost	**2,922,666**	2,789,400	**2,861,278**	2,723,974
Accumulated depreciation	**(2,132,060)**	(2,090,196)	**(2,080,195)**	(2,048,185)
Total motor vehicles	**790,606**	699,204	**781,083**	675,789
Infrastructure				
At cost	**1,169,738**	1,165,616	**1,169,738**	1,165,616
Accumulated depreciation	**(276,731)**	(237,865)	**(276,731)**	(237,865)
Total Infrastructure	**893,007**	927,751	**893,007**	927,751
Aircraft				
At cost	**751,873**	985,641	**-**	-
Accumulated depreciation	**(216,425)**	(218,858)	**-**	-
Total Aircraft	**535,448**	766,783	**-**	-
Total property, plant and equipment	**14,454,489**	15,521,782	**13,877,997**	14,699,218

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 2016

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.

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 2016								
Balance at the beginning of year	102,026	11,948,230	886,309	159,113	675,789	927,751	-	14,699,218
Additions	-	112,060	75,228	-	310,167	4,122	-	501,577
Disposals	-	1,165	(722)	-	(381)	-	-	62
Transfers	(102,026)	102,026	-	-	-	-	-	-
Depreciation expense	-	(526,563)	(516,710)	(36,229)	(204,492)	(38,866)	-	(1,322,860)
Balance at the end of the year	-	11,636,918	444,105	122,884	781,083	893,007	-	13,877,997

Consolidated	Capital Works in Progress	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Infrastructure	Aircraft	Total
	$	$	$	$	$	$	$	$
Year ended 30 June 2016								
Balance at the beginning of year	102,026	11,980,596	886,309	159,113	699,204	927,751	766,783	15,521,782
Additions	-	112,060	75,228	-	310,167	4,122	24,160	525,737
Disposals	-	1,165	(722)	-	(1,995)	-	(138,074)	(139,626)
Transfers	(102,026)	102,026	-	-	-	-	-	-
Depreciation expense	-	(527,408)	(516,710)	(36,229)	(216,770)	(38,666)	(117,420)	(1,453,204)
Balance at the end of the year	-	11,668,439	444,105	122,884	790,606	893,007	535,448	14,454,689

Notes to the Financial Statements
For the Year Ended 30 June 2016

11 Trade and other payables

	Consolidated		Parent	
	2016	2015	2016	2015
	$	$	$	$
CURRENT				
Trade payables	**651,075**	940,374	**443,547**	705,730
GST payable	**143,501**	156,694	**124,888**	156,694
Accrued expenses	**-**	8,019	**-**	-
Other payables	**1,034,286**	1,580,924	**1,034,286**	1,580,924
Unexpended grants	**947,536**	801,734	**947,536**	801,734
	2,776,398	3,487,745	**2,550,257**	3,245,082

12 Borrowings

	Consolidated 2016	Consolidated 2015	Parent 2016	Parent 2015
CURRENT				
Secured liabilities:				
Bank loan - secured	**739,711**	772,117	**739,711**	772,117
Total current borrowings	**739,711**	772,117	**739,711**	772,117

The bank loans are made up of 2 loans with the Westpac Bank. Loan 1 for $ 273,321 is for the Sava Street Units. The loan matures 05/04/2029 and the current interest rate is 6.7%. Loan 2 for $ 466,389 is for 1 Jasmine Close. The loan matures 01/10/2036 and the current interest rate is 5.95%. The security for both loans is the following: 1 Jasmine Cl Nhulunbuy, 1 Sava St Nhulunbuy, and 20 Husnes Av Nhulunbuy.

At the Board Meeting on 29 June 2016, the Board approved the payout of the loans on the properties from cash reserves. This was done on 10 August 2016.

13 Employee Benefits

	Consolidated 2016	Consolidated 2015	Parent 2016	Parent 2015
Current liabilities				
Long service leave	**125,943**	168,654	**125,943**	168,654
Provision for RDO	**40,944**	55,801	**40,944**	55,801
Annual leave	**568,757**	554,018	**568,757**	554,018
	735,644	778,473	**735,644**	778,473
Non-current liabilities				
Long service leave	**226,837**	243,452	**226,837**	243,452
	226,837	243,452	**226,837**	243,452

Notes to the Financial Statements
For the Year Ended 30 June 2016

14 Reserves

	Consolidated		Parent	
	2016	2015	2016	2015
	$	$	$	$
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**	64,000	-	-
Prior year asset adjustment	**500**	-	-	-
	64,500	64,000	-	-
Total reserves	**437,961**	437,461	**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 $ 820,769 (2015: $ 442,821).

16 Contingencies

In the opinion of the Directors, the Corporation did not have any contingencies at 30 June 2016 (30 June 2015: None).

17 Events Occurring After the Reporting Date

The financial report was authorised for issue on 19 October, 2016 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. A further claim was made for $ 277,493 and was received on 18 April, 2016. These insurance claims were for damage related to Cyclone Nathan in March 2015. As of 30 June 2016, $ 1,093.034 of the repairs was unspent and will be reflected in expenditure for the year ending 30 June 2017.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2016

18 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Parent

Reconciliation of net income to net cash provided by operating activities:

	2016	2015
	$	$
Profit for the year	2,984,649	1,782,970
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	1,322,860	1,348,346
- (profit) on sale of assets	(60,755)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	179,511	(57,933)
- (increase)/decrease in other assets	215,422	(138,021)
- (increase)/decrease in prepayments	-	485,519
- (increase)/decrease in inventories	(152,402)	24,842
- increase/(decrease) in trade and other payables	(694,825)	523,519
- increase/(decrease) in provision for doubtful debts	1,728	-40,519
- increase/(decrease) in employee entitlements	(59,444)	9,665
Cashflow from operations	3,736,744	3,938.388

Consolidated

Reconciliation of net income to net cash provided by operating activities:

	2016	2015
	$	$
Profit for the year	2,830,961	1,555,964
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	1,453,406	1,485,425
- (profit) on sale of assets	(120,568)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	242,319	(79,502)
- (increase)/decrease in other assets	215,422	(138,021)
- (increase)/decrease in prepayments	(11,437)	482,599
- (increase)/decrease in inventories	(152,402)	24,842
- increase/(decrease) in trade and other payables	(711,348)	637,464
- increase/(decrease) in provision for doubtful debts	1,729	-43,321
- increase/(decrease) in unearned revenue	(17,659)	17.659
- increase/(decrease) in employee entitlements	(59,444)	9,665
Cashflow from operations	3,670,979	3,952,774

Laynhapuy Homelands Aboriginal Corporation
ABN: 86 695 642 473

Directors' Declaration

The directors of the Corporation declare that:

1. The financial statements and notes, as set out on pages 7 to 26, 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 2016 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 11/10/16

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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 2016, 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.

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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 2016 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

M Dewhurst.

Margaret Dewhurst

Director

Cairns, 12 October 2016