



Laynhapuy Homelands Aboriginal Corporation

ABN: 86 695 642 473

Consolidated Financial Statements

For the Year Ended 30 June 2019

Laynhapuy Homelands Aboriginal Corporation

ABN: 86 695 642 473

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For the Year ended 30 June 2019

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Directors' Report

30 June 2019

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 2019.

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.

Meetings of directors

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

Name	Appointment	Resignation	Meetings Eligible	Meetings Attended
Barayuwa Mununggurr			8	7
Christopher Haynes			8	8
Djambawa Marawili			8	7
Gurumuwuy Wunungmurra			8	8
Yananyul Mununggurr			8	8
Balku Wunungmurra			8	8
Ivan Bruce Alcorn		5/9/2018	3	3
Mayila Wunungmurra		30/11/2018	4	4
Waturr Gumana		30/11/2018	4	4
Yinimala Gumana	30/11/2018		4	4
Graham Symons	5/09/2018		5	5
Yangipuy Wanambi	30/11/2018		4	4

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 loss of the Group for the financial year after providing for income tax amounted to \$2,438,434, compared with last year's loss of \$650,571.

3. Other items

Significant events

No significant events have occurred during the year.

Directors' Report

30 June 2019

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 2019 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

26 November 2019

Yirrkala

**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 2019, 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

Cairns, 29 November 2019

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
Revenue	3	16,726,665	17,763,025	16,654,510	17,369,902
Other income	3	891,728	766,323	891,728	988,742
Cost of Sales		-	(821,616)	-	-
Employee benefits expense		(9,094,624)	(8,853,049)	(9,094,624)	(8,705,035)
Consultant & Contract Fees		(1,211,883)	(600,232)	(1,211,883)	(600,232)
Fuel		(777,362)	(651,509)	(777,362)	(651,509)
Insurance		(482,665)	(479,180)	(482,665)	(430,602)
Materials, parts & supplies		(2,500,564)	(1,627,742)	(2,500,564)	(1,627,742)
Project & homeland maintenance expenses		(1,243,826)	(2,239,153)	-	-
Travel & accommodation		(1,020,756)	(648,183)	(1,020,756)	(923,148)
Other expenses	4	(2,344,475)	(2,050,083)	(2,339,475)	(1,976,952)
Finance costs		(125,065)	(76,165)	(8,861)	(8,225)
Depreciation and amortisation expense		(1,295,305)	(1,214,600)	(1,295,305)	(1,157,593)
Profit/Loss on disposal of plant & equipment		39,698	81,593	39,698	20,151
Operating Surplus (Deficit)		(2,438,434)	(650,571)	(1,145,559)	2,297,757
Contribution Ganybu Housing Aboriginal Corporation		-	-	-	(3,610,000)
Surplus (deficit) before income tax		(2,438,434)	(650,571)	(1,145,559)	(1,312,243)
Income tax expense		-	-	-	-
Surplus (deficit) for the year		(2,438,434)	(650,571)	(1,145,559)	(1,312,243)
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		(2,438,434)	(650,571)	(1,145,559)	(1,312,243)

Statement of Financial Position

As at 30 June 2019

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	13,556,926	12,952,415	10,540,013	9,773,762
Trade and other receivables	6	147,742	682,900	955,326	683,411
Inventories	7	353,096	553,108	353,096	553,108
Other assets	8	38,238	588,212	38,238	588,212
TOTAL CURRENT ASSETS		14,096,002	14,776,635	11,886,673	11,598,493
NON-CURRENT ASSETS					
Property, plant and equipment	10	14,629,947	14,590,797	14,629,947	14,590,797
TOTAL NON-CURRENT ASSETS		14,629,947	14,590,797	14,629,947	14,590,797
TOTAL ASSETS		28,725,949	29,367,432	26,516,620	26,189,290
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	11	4,695,992	3,192,373	4,695,992	3,192,373
Borrowings	12	292,849	540,904	42,849	40,904
Employee benefits	13	830,232	835,602	830,232	835,602
TOTAL CURRENT LIABILITIES		5,819,073	4,568,879	5,569,073	4,068,879
NON-CURRENT LIABILITIES					
Employee benefits	13	167,429	151,929	167,429	151,929
Borrowings	12	2,009,863	1,478,606	84,271	127,076
TOTAL NON-CURRENT LIABILITIES		2,177,292	1,630,535	251,700	279,005
TOTAL LIABILITIES		7,996,365	6,199,414	5,820,773	4,347,884
NET ASSETS		20,729,584	23,168,018	20,695,847	21,841,406
EQUITY					
Reserves	14	373,461	373,461	373,461	373,461
Retained surplus		20,356,123	22,794,557	20,322,386	21,467,945
TOTAL EQUITY		20,729,584	23,168,018	20,695,847	21,841,406

Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Parent			
	Retained Earnings	Asset Revaluation Surplus	General Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2018	21,467,945	373,461	-	21,841,406
Total comprehensive income for the year				
Loss attributable to members of the entity	(1,145,559)	-	-	(1,145,559)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	(1,145,559)	-	-	(1,145,559)
Balance at 30 June 2019	20,322,386	373,461	-	20,695,847

2018

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

2019

	Consolidated			
	Retained Earnings	Asset Revaluation Surplus	General Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2018	22,794,557	373,461	-	23,168,018
Total comprehensive income for the year				
Loss attributable to members of the entity	(2,438,434)	-	-	(2,438,424)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	(2,438,434)	-	-	(2,438,434)
Balance at 30 June 2019	20,356,123	373,461	-	20,729,584

2018

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

Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers		21,028,954	20,405,623	21,028,953	20,227,789
Payments to suppliers and employees		(19,463,842)	(20,480,341)	(18,215,017)	(20,743,731)
Interest received		176,020	141,963	103,865	107,258
Finance costs		(125,065)	(76,165)	(8,861)	(8,225)
Net cash provided by (used in) operating activities		<u>1,616,067</u>	<u>(8,920)</u>	<u>2,908,940</u>	<u>(416,909)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Sale of property, plant and equipment		160,789	590,400	160,789	91,005
Purchase of property, plant and equipment		(1,455,545)	(1,843,055)	(1,455,545)	(1,843,058)
Net cash used by investing activities		<u>(1,294,756)</u>	<u>(1,252,655)</u>	<u>(1,294,756)</u>	<u>(1,752,053)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds of borrowings		824,061	1,851,530	-	-
Repayment of borrowings		(540,860)	(38,642)	(40,860)	(38,642)
Advances/(repayments) from/(to) other entities		-	-	(807,073)	-
Net cash used by financing activities		<u>283,201</u>	<u>1,812,888</u>	<u>(847,933)</u>	<u>(38,642)</u>
Net increase in cash and cash equivalents held		604,511	551,313	766,251	(2,207,604)
Cash and cash equivalents at beginning of year		12,952,415	12,401,102	9,773,762	11,981,366
Cash and cash equivalents at end of financial year	5	<u>13,556,926</u>	<u>12,952,415</u>	<u>10,540,013</u>	<u>9,773,762</u>

Notes to the Financial Statements

For the Year Ended 30 June 2019

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 2019 were authorised for issue in accordance with a resolution of the Directors on the date shown in the Directors Declaration.

(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 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 Division 50 of the *Income Tax Assessment Act 1997*.

(d) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of significant accounting policies (continued)

(d) Goods and services tax (GST) (continued)

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.

(e) New, Revised or Amending Accounting Standards and Interpretations Adopted

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

AASB 9 Financial Instruments

AASB 9 replaced AASB 139 *Financial Instruments: Recognition and Measurement* in its entirety. The new standard includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment. AASB 9 became effective for annual periods beginning 1 January 2018.

A review of the impact of AASB 9 has been performed by the Group, and the impact has been determined to be immaterial.

(f) Accounting Standards Issued But Not Yet Effective

The following new accounting standards and interpretations have been issued, but are not mandatory for financial years ended 30 June 2019. They have not been adopted in preparing these financial statements for the year ended 30 June 2019. The following assessments have been made by the entity.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 111 *Construction Contracts*, AASB 118 *Revenue* and AASB 1004 *Contributions*. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The standard will become effective for the year ended June 2020 for not-for-profit entities.

Revenue is recognised under AASB 15 for not-profit-entities when a contract includes enforceable rights and obligations as well as whether a contract includes deliverables which are sufficiently specific. For a contract to include enforceable rights and obligations, the customer (relevant funding department) has the final authority over the use of the money, and whether it is required to be repaid, or approved for alternative use. A contract is considered sufficiently specific when the deliverables are clearly specified within the agreement. These contracts are recognised over time. Refer below for the analysis of the impact on the entity.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 supersedes all current income recognition requirements for private sector not-for-profit entities (NFPs), and most of the requirements for public sector NFPs currently contained in AASB 1004 *Contributions*.

Where these conditions for recognition under AASB 15 are not met, grant income will be recognised at a point in time (on receipt) in accordance with AASB 1058. Refer below for the analysis of the impact on the entity.

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of significant accounting policies (continued)

(f) Accounting Standards Issued But Not Yet Effective (continued)

A detailed review of the impact of AASB 15 and 1058 has been performed by the entity, with a change in recognition required for some grants received. For the year ended 30 June 2019, the Group has recognised \$12,383,373 in grant revenue and \$3,222,136 in unexpended grant funds representing grant funds which have not yet been expended in accordance with the grant conditions.

Upon transition to the new standards on 1 July 2018, the cumulative effect method will be adopted with the impact of the change being recorded through retained earnings. It is estimated that \$281,325 of the unexpended grants balance at 30 June 2019 will be required to be recognised as income on receipt under AASB 1058 as the grant conditions do not meet the sufficiently specific requirements under AASB 15.

AASB 16 Leases

AASB 16 becomes mandatory for annual periods beginning on or after 1 January 2019 and in essence requires a lessee to:

- Recognise all lease assets and liabilities (including those currently classed as operating leases) on the statement of financial position, initially measured at the present value of unavoidable lease payments;
- Recognise amortisation of lease assets and interest on lease liabilities as expenses over the lease term; and
- Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (which entities can choose to present within operating or financing activities consistent with presentation of any other interest paid) in the statement of cash flows.

The Group holds a number of property leases, including an industrial property, multiple rental properties and a Northern Land Council Section 19 Area Lease.

On transition to AASB 16 on 1 July 2019, the Group will record a right-of-use asset of \$1,861,133 as well as a lease liability of \$1,891,573 in relation to existing lease arrangements. This will result in an adjustment to retained earnings on transition of \$30,440 under the cumulative effect method.

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 2019

3 Revenue and other income

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Sales revenue				
- provision of services	1,575,058	3,063,569	1,575,058	2,705,151
Other revenue				
- royalties & gifts	2,461,956	2,383,819	2,461,956	2,383,819
- grants	12,383,373	11,995,196	12,383,373	11,995,196
- interest received	176,020	141,963	103,865	107,258
- Government rebates	130,258	178,478	130,258	178,478
	15,151,607	14,699,456	15,079,452	14,664,751
Total Revenue	16,726,665	17,763,025	16,654,510	17,369,902
Other income	891,728	766,323	891,728	988,742
Total Other Income	891,728	766,323	891,728	988,742

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).

Rendering of services

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

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Royalties

Royalties are recognised as revenue when received.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Revenue and other income (continued)

Grant revenue

Government grants and other contributions of assets are accounted for in accordance with AASB 1004. Contributions are recognised dependent 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.

Other income

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

Notes to the Financial Statements

For the Year Ended 30 June 2019

4 Other expenses

(a) Expenses

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Bad debts	-	16,500	-	4,408
Cleaning	53,357	56,258	53,357	56,258
Community Support	28,418	35,687	28,418	35,687
Computer expenses	215,284	235,364	215,284	235,364
Electricity and water	200,276	168,680	200,276	168,680
Freight and cartage	197,473	158,260	197,473	158,260
Hire of equipment	26,560	28,002	26,560	28,002
Legal fees	59,730	103,793	59,730	103,793
Licences & Registrations	11,565	22,186	11,565	22,186
Minor plant & equipment	199,947	131,967	199,947	131,967
Meeting expenses	194,811	262,700	194,811	262,700
Permits, licenses and fees	140,705	100,873	140,705	100,873
Printing, stationery & postage	33,542	31,422	33,542	31,422
Rates and taxes	212,383	65,363	212,383	65,363
Repairs and maintenance	270,947	206,420	270,947	188,745
Sundry expenses	285,304	246,946	280,304	203,582
Telephone and fax	214,173	179,662	214,173	179,662
Total Other Expenses	2,344,475	2,050,083	2,339,475	1,976,952

5 Cash and cash equivalents

Cash at bank and in hand	13,556,926	12,952,415	10,540,013	9,773,762
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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.

The Corporation receives Royalty payments from the Northern Land Council on behalf of the Yolngu people of the Laynhapuy Homelands. These funds are restricted from the operations of the Corporation. The balance of these Royalties as at 30 June 2019 was \$3,137,917 (2018 \$3,006,587).

Notes to the Financial Statements

For the Year Ended 30 June 2019

6 Trade and other receivables

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
CURRENT				
Trade receivables	152,742	687,900	152,742	687,900
Provision for impairment – expected credit losses (a)	(5,000)	(5,000)	(5,000)	(5,000)
	147,742	682,900	147,742	682,900
Related party receivable	-	-	807,584	511
	147,742	682,900	955,326	683,411

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.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement between 30 and 90 days.

The entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

(a) Provision for impairment – expected credit losses of receivables

Reconciliation of changes in the provision for impairment – expected credit losses of receivables is as follows:

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

7 Inventories

Stores and consumables	353,096	553,108	353,096	553,108
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Inventories are measured at cost. Cost of inventory is determined using the first-in-first-out basis and are net of any rebates and discounts received.

Notes to the Financial Statements

For the Year Ended 30 June 2019

8 Other assets

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Prepayments	-	520,496	-	520,496
Accrued income	-	41,429	-	41,429
Bonds	38,238	26,287	38,238	26,287
	38,238	588,212	38,238	588,212

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

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.

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

	Country of Incorporation	Percentage Controlled (%)	
		2019	2018
Miwatj Employment and Participation Ltd	Australia	50	50
Ganybu Housing Aboriginal Corporation	Australia	100	100
Laynhapuy Aviation 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 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 2018. As at 30 June 2019 the entity had completed six houses: two at Garthala, one at Gan Gan and one at Gulumurra and two at Wandawuy.

The Laynhapuy Homelands Aboriginal Corporation had effective control of Laynhapuy Aviation Aboriginal Corporation until the date of deregistration of Laynhapuy Aviation Aboriginal Corporation which was 4 July 2019. Laynhapuy Aviation Aboriginal Corporation had ceased operations on the 13 October 2017.

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

9 Related parties (continued)

(d) Transactions with related parties

The following transactions occurred with related parties:

	Revenue & Other Income	Expenses	Balance outstanding	
			Owed to the corporation	Owed by the corporation
2019				
Miwatj Employment & Participation Ltd	566,661	43,308	-	2,143
Ganybu Housing Aboriginal Corporation	-	-	807,584	-
2018				
Laynhapuy Aviation Aboriginal Corporation	306,531	274,965	-	-
Ganybu Housing Aboriginal Corporation	11,000	-	511	-
Miwatj Employment & Participation Ltd	8,272	13,271	175,241	1,112

Notes to the Financial Statements

For the Year Ended 30 June 2019

10 Property, plant and equipment

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Buildings				
At cost	17,526,936	17,370,294	17,526,936	17,370,294
Accumulated depreciation	(6,823,124)	(6,283,690)	(6,823,124)	(6,283,690)
Total buildings	10,703,812	11,086,604	10,703,812	11,086,604
Plant and equipment				
At cost	3,239,832	3,567,808	3,239,832	3,567,808
Accumulated depreciation	(2,494,436)	(2,714,282)	(2,494,436)	(2,714,282)
Total plant and equipment	745,396	853,526	745,396	853,526
Furniture, fixtures and fittings				
At cost	510,670	510,672	510,670	510,672
Accumulated depreciation	(468,644)	(449,599)	(468,644)	(449,599)
Total furniture, fixtures and fittings	42,026	61,073	42,026	61,073
Motor vehicles				
At cost	3,684,894	3,622,073	3,684,894	3,622,073
Accumulated depreciation	(2,315,984)	(2,134,280)	(2,315,984)	(2,134,280)
Total motor vehicles	1,368,910	1,487,793	1,368,910	1,487,793
Infrastructure				
At cost	1,498,578	1,341,425	1,498,578	1,341,425
Accumulated depreciation	(399,976)	(354,665)	(399,976)	(354,665)
Total Infrastructure	1,098,602	986,760	1,098,602	986,760
Computers				
At cost	380,449	380,450	380,449	380,450
Accumulated depreciation	(299,092)	(265,408)	(299,092)	(265,408)
Total Computers	81,357	115,042	81,357	115,042
Capital Work in Progress				
At cost	589,844	-	589,844	-
Total property, plant and equipment	14,629,947	14,590,797	14,629,947	14,590,797

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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

10 Property, plant and equipment (continued)

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

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.

The Group has constructed and utilises various buildings and infrastructure at various community sites in the East Arnhem region. 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 2019

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:

	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Infrastructure	Computer Equipment	Capital WIP	Total
Parent	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2019								
Balance at the beginning of year	11,086,604	853,525	61,073	1,487,793	986,760	115,042	-	14,590,797
Additions	156,644	96,607		455,299	157,152		589,844	1,455,546
Disposals				(121,091)				(121,091)
Depreciation expense	(539,436)	(204,736)	(19,047)	(453,091)	(45,310)	(33,685)		(1,295,305)
Balance at the end of the year	10,703,812	745,396	42,026	1,368,910	1,098,602	81,357	589,844	14,629,947

	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Infrastructure	Computer Equipment	Capital WIP	Total
Consolidated	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2019								
Balance at the beginning of year	11,086,604	853,525	61,073	1,487,793	986,760	115,042	-	14,590,797
Additions	156,644	96,607		455,299	157,152		589,844	1,455,546
Disposals				(121,091)				(121,091)
Depreciation expense	(539,436)	(204,736)	(19,047)	(453,091)	(45,310)	(33,685)		(1,295,305)
Balance at the end of the year	10,703,812	745,396	42,026	1,368,910	1,098,602	81,357	589,844	14,629,947

Notes to the Financial Statements

For the Year Ended 30 June 2019

11 Trade and other payables

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
CURRENT				
Trade payables	770,684	1,502,776	770,684	1,502,776
GST payable	132,687	(11,037)	132,687	(11,037)
Other payables	570,485	301,112	570,485	301,112
Unexpended grants	3,222,136	1,399,522	3,222,136	1,399,522
	4,695,992	3,192,373	4,695,992	3,192,373

12 Borrowings

CURRENT				
Lease	42,849	40,904	42,849	40,904
Bank loan – secured	250,000	500,000	-	-
Total current borrowings	292,849	540,904	42,849	40,904
NON-CURRENT				
Lease	84,271	127,076	84,271	127,076
Bank loan – secured	1,925,592	1,351,530		
Total non-current borrowings	2,009,863	1,478,606	84,271	127,076

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.

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 facility has been established to fund the construction of house for traditional owners. The loan is secured against cash funds.

13 Employee benefits

CURRENT				
Long service leave	214,088	281,388	214,088	281,388
Provision for RDO	38,821	40,609	38,821	40,609
Annual leave	577,323	513,605	577,323	513,605
	830,232	835,602	830,232	835,602
NON-CURRENT				
Long service leave	167,429	151,929	167,429	151,929
	167,429	151,929	167,429	151,929

Notes to the Financial Statements

For the Year Ended 30 June 2019

13 Employee benefits (continued)

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.

14 Reserves

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
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	-	64,500	-	-
Transfer to retained earnings	-	(64,500)	-	-
	-	-	-	-
Total reserves	373,461	373,461	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.

15 Key management personnel disclosures

The total remuneration paid to key management personnel of the Corporation and the Group is \$1,104,066 (2018: \$1,126,751).

16 Commitments and Contingencies

The Group has entered into various commitments for construction and refurbishment of premises at a cost of \$337,280 (2018:\$998,977).

Notes to the Financial Statements

For the Year Ended 30 June 2019

17 Lease Commitments

Committed at the reporting date but not recognised as liabilities, payable:

Within one year	140,980	-	140,980	-
One to five years	563,920	-	563,920	-
More than five years	2,114,700	-	2,114,700	-
	2,819,600	-	2,819,600	-

Lease commitments relate to a lease with the Northern Land Council for various lots within the Yirrkala area. The lease commenced on 1 July 2018 and has a term of 20 years.

18 Events occurring after the reporting date

The financial report was authorised for issue on 26 November 2019 by the Board of Directors.

Directors Declaration

For the Year Ended 30 June 2019

1. The financial statements and notes, as set out on pages 6 to 24, 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 2019 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



Mr Barayuwa George Mununggurr

26 November 2019
Yirrkala

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 financial report of Laynhapuy Homelands Aboriginal Corporation (the Corporation) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, 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, 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 Group's financial position as at 30 June 2019 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 Group in accordance with 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 the directors for the Financial Report

The directors of the Corporation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and 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.

In preparing the financial report, the directors are responsible for assessing the ability of the group 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 Group or to cease operations, or has 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 at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.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

A handwritten signature in blue ink, appearing to read 'Margaret Dewhurst'.

Margaret Dewhurst

Director

Cairns, 29 November 2019