Laynhapuy Homelands Aboriginal Corporation

ABN: 86 695 642 473

Consolidated Financial Statements

For the Year Ended 30 June 2022

Contents
For the Year Ended 30 June 2022

Directors' Report

30 June 2022

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 2022.

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 are:

Barayuwa Mununggurr
Yananymul Mununggurr
Yinimala Gumana
Balku Wunungmurra
Djambawa Marawili AO
Butjiyanganybuy Marrkula
Graham Symons
Ray Hall
Paul Wunungmurra (resigned 6/09/2021)
Dr Chris Haynes (resigned 1/12/2021)

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 for the Year

The Consolidated Surplus of the Group for the year amounted to $ 1,993,640 (2021: $ 1,510,224).

3.Other items

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.

Matters or circumstances arising after the end of the year

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

Directors' Report

30 June 2022

Future developments

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

Meetings of Directors

During the financial year, 5 meetings of directors were held. Attendances by each director during the year were as follows.

Name	Meetings Eligible	Meetings Attended
Barayuwa Mununggurr	5	5
Yananymul Mununggurr	5	5
Yinimala Gumana	5	5
Balku Wunungmurra	5	5
Djambawa Marawili AO	5	5
Butjiyanganybuy Marrkula	5	2
Paul Wunungmurra	5	1
Graham Symons	5	5
Ray Hall	2	1
Paul Wunungmurra	5	1
Dr Chris Haynes	5	1

Auditors Independence declaration

The lead auditor's independence declaration in accordance with the Corporation (CATSI) Act 2006, for the year ended 30 June 2022 has been received and can be found on the page 3 of the financial report.

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

Chairperson: ....
Mr Barayuwa George Mununggurr

Dated this ....9.... Day of ....NOVEMBER.... 2022

merit
chartered accountants

Auditor's Independence Declaration to the Directors of Laynhapuy Homelands Aboriginal Corporation

As auditor of Laynhapuy Homelands Aboriginal Corporation for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* in relation to the audit; and

(ii) 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 financial year.

Merit Partners

Merit Partners

Matthew Kennon

Partner

DARWIN

Date: 9 November 2022

LAYNHAPUY HOMELANDS ABORIGINAL CORPORATION
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

		Consolidated		Parent	
		2022	2021	2022	2021
	Note	$	$	$	$
Revenue					
Revenue	3	**21,356,184**	19,245,151	**21,356,035**	17,323,970
Other income	3	**3,296,719**	2,851,293	**3,292,173**	2,851,293
Total Revenue		**24,652,903**	22,096,444	**24,648,208**	20,175,263
Expenses					
Employee benefits expense		**(8,481,346)**	(7,960,730)	**(8,481,346)**	(7,960,730)
Consultant & Contract Fees		**(5,257,574)**	(1,678,870)	**(5,257,574)**	(1,678,870)
Fuel		**(1,055,281)**	(532,290)	**(1,055,281)**	(532,290)
Insurance		**(857,406)**	(708,073)	**(857,406)**	(708,073)
Materials, parts & supplies		**(1,665,159)**	(2,314,291)	**(1,665,159)**	(2,314,291)
Project expenses		-	(1,774,487)	-	-
Travel & accommodation		**(1,441,608)**	(1,458,346)	**(1,441,608)**	(1,458,346)
Other expenses		**(2,098,407)**	(1,986,172)	**(2,097,990)**	(1,973,534)
Finance costs		**(8,017)**	(2,565)	**(7,228)**	247
Finance costs - leases		**(114,006)**	(93,874)	**(114,006)**	(93,874)
Depreciation expense		**(1,268,415)**	(1,314,172)	**(1,268,415)**	(1,314,172)
Amortisation – Right of use assets		**(412,044)**	(690,778)	**(412,044)**	(690,778)
Loss on disposal of plant & equipment		-	(71,573)	-	(71,573)
Total Expenses		**(22,659,263)**	(20,586,220)	**(22,658,057)**	(18,796,284)
Surplus before income tax		**1,993,640**	1,510,224	**1,990,151**	1,378,979
Income tax (Expense)/ Benefit		-	-	-	-
Surplus for the year		**1,993,640**	1,510,224	**1,990,151**	1,378,979
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		**1,993,640**	1,510,224	**1,990,151**	1,378,979

LAYNHAPUY HOMELANDS ABORIGINAL CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

		Consolidated		Parent	
ASSETS		2022	2021	2022	2021
	Notes	$	$	$	$
CURRENT ASSETS					
Cash and cash equivalents	4	**15,699,418**	13,475,221	**15,619,544**	13,399,874
Trade and other receivables	5	**555,137**	32,228	**555,137**	32,228
Inventories	6	**81,055**	179,750	**81,055**	179,750
Other assets		**466,606**	137,211	**466,606**	137,211
TOTAL CURRENT ASSETS		**16,802,216**	13,824,410	**16,722,342**	13,749,063
NON-CURRENT ASSETS					
Property, plant and equipment	9	**13,433,482**	13,899,700	**13,433,482**	13,899,700
Right of use asset	7	**1,950,167**	2,472,893	**1,950,167**	2,472,893
TOTAL NON-CURRENT ASSETS		**15,383,649**	16,372,593	**15,383,649**	16,372,593
TOTAL ASSETS		**32,185,865**	30,197,003	**32,105,991**	30,121,656
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	10	**915,395**	807,603	**1,315,507**	1,208,753
Borrowings	12	**34,673**	33,458	**34,673**	33,458
Lease liabilities	7	**206,275**	279,267	**206,275**	279,267
Contract liabilities	11	**2,626,973**	2,620,421	**2,626,973**	2,620,421
Employee benefits	13	**1,238,671**	909,611	**1,238,671**	909,611
TOTAL CURRENT LIABILITIES		**5,021,987**	4,650,360	**5,422,099**	5,051,510
NON-CURRENT LIABILITIES					
Employee benefits	13	**34,135**	62,082	**34,135**	62,082
Borrowings	12	**149,555**	184,228	**149,555**	184,228
Lease liabilities	7	**2,498,925**	2,812,710	**2,498,925**	2,812,710
TOTAL NON-CURRENT LIABILITIES		**2,682,615**	3,059,020	**2,682,615**	3,059,020
TOTAL LIABILITIES		**7,704,602**	7,709,380	**8,104,714**	8,110,530
NET ASSETS		**24,481,263**	22,487,623	**24,001,277**	22,011,126
EQUITY					
Reserves	14	**-**	373,461	**-**	373,461
Retained earnings		**24,481,263**	22,114,162	**24,001,277**	21,637,665
TOTAL EQUITY		**24,481,263**	22,487,623	**24,001,277**	22,011,126

LAYNHAPUY HOMELANDS ABORIGINAL CORPORATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

2022	Notes	Parent Retained Earnings $	Parent Asset Revaluation Surplus $	Parent Total $
Balance at 1 July 2021		21,637,665	373,461	22,011,126
Total comprehensive income for the year				
Profit (Loss) attributable to members of the parent entity		1,990,151	-	1,990,151
Other comprehensive income		-	-	-
Total comprehensive income (loss) for the year		23,627,816	-	23,627,817
Transfer from asset revaluation surplus to retained earnings		373,461	(373,461)	-
Balance at 30 June 2022		24,001,277	-	24,001,277

2021	Notes	Parent Retained Earnings $	Parent Asset Revaluation Surplus $	Parent Total $
Balance at 1 July 2020		20,258,686	373,461	20,632,147
Total comprehensive income for the year				
Profit (Loss) attributable to members of the parent entity		1,378,979	-	1,378,979
Other comprehensive income		-	-	-
Total comprehensive income (loss) for the year		1,378,979	-	1,378,979
Balance at 30 June 2021		21,637,665	373,461	22,011,126

2022	Notes	Consolidated Retained Earnings $	Consolidated Asset Revaluation Surplus $	Consolidated Total $
Balance at 1 July 2021		22,114,162	373,461	22,487,623
Total comprehensive income for the year				
Profit (Loss) attributable to members of the entity		1,993,640	-	1,993,640
Other comprehensive income		-	-	-
Total comprehensive income (loss) for the year		24,107,802		
Transfer from asset revaluation surplus to retained earnings		373,461	(373,461)	-
Balance at 30 June 2022		24,481,263	-	24,481,263

2021	Notes	Consolidated Retained Earnings $	Consolidated Asset Revaluation Surplus $	Consolidated Total $
Balance at 1 July 2020		20,603,938	373,461	20,977,399
Total comprehensive income for the year				
Profit (Loss) attributable to members of the entity		1,510,224	-	1,510,224
Other comprehensive income		-	-	-
Total comprehensive income (loss) for the year		1,510,224	-	-
Balance at 30 June 2021		22,114,162	373,461	22,487,623

LAYNHAPUY HOMELANDS ABORIGINAL CORPORATION
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2022

		Consolidated		Parent	
		2022	2021	2022	2021
	Notes	$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		**23,778,185**	22,061,740	23,773,185	20,140,375
Payments to suppliers and employees		**(20,349,635)**	(19,459,177)	(20,349,217)	(17,672,053)
Interest received		**29,420**	31,067	29,272	30,891
Finance costs		**(122,023)**	(96,439)	(121,234)	(93,627)
Net cash flows provided by operating activities		**3,335,848**	2,537,191	3,332,006	2,405,946
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of Plant and Equipment		-	616,412	-	616,412
Purchase of property, plant, and equipment		**(802,198)**	(325,955)	(802,198)	(325,955)
Net cash flows (used in)/provided by investing activities		**(802,198)**	290,457	(802,198)	290,457
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		-	250,716	-	250,716
Repayment of borrowings		**(33,458)**	(118,106)	(33,458)	(118,106)
Lease payments		**(276,094)**	(419,406)	(276,094)	(419,406)
(Repayments to)/Advances from related parties		-	-	(585)	391,924
Net cash flows used in financing activities		**(309,552)**	(286,796)	(310,138)	105,128
Net increase in cash held		**2,224,197**	2,540,851	2,219,670	2,801,531
Cash at beginning of reporting period		**13,475,221**	10,934,370	13,399,874	10,598,343
Cash at end of reporting period	4	**15,699,418**	13,475,221	15,619,544	13,399,874

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 2022 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 the defined as the power to govern the financial and operating policies of an entity 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 8 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) Good and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

1 Summary of significant accounting policies (continued)

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

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 amended 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. They have not had a material impact on the financial report of the Group.

(f) Accounting standards issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2022. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2 Critical accounting estimates and judgements

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.

3 Revenue and Other Income

Revenue from continuing operations

	Consolidated		Parent	
	2022 $	2021 $	2022 $	2021 $
Sales Revenue				
Provision of services	**1,377,416**	3,752,275	**1,377,416**	1,831,270
Other revenue				
Royalties & Gifts	**2,062,052**	2,256,278	**2,062,052**	2,256,278
Grants	**17,748,292**	13,015,988	**17,748,292**	13,015,988
Interest received	**29,421**	31,067	**29,272**	30,891
Government rebates	**139,003**	189,543	**139,003**	189,543
Total other revenue	**19,978,768**	15,492,876	**19,978,619**	15,492,270
Total Revenue	**21,356,184**	19,245,151	**21,356,035**	17,323,970
Other income	**3,296,719**	2,851,293	**3,292,173**	2,851,293
Total Other Income	**3,296,719**	2,851,293	**3,292,173**	2,851,293

Revenue is recognised at an amount that reflects the consideration to which the entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognizes revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

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 the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Royalties

Royalties are recognised as revenue when received.

3 Revenue and Other Income (continued)

Grant revenue

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability (unexpended grant) until those conditions are satisfied.

Other income

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

4 Cash and cash equivalents

	Consolidated		Parent	
	2022 $	2021 $	2022 $	2021 $
Cash at bank and in hand	**15,699,418**	13,475,221	**15,619,544**	13,399,874

Cash and cash equivalents comprise 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 2022 was $7,460,958 (2021 $6,450,012).

5 Trade and other receivables

		Consolidated		Parent	
		2022	2021	2022	2021
		$	$	$	$
CURRENT					
Trade receivables		**560,137**	37,228	**560,137**	37,228
Provision for impairment	(a)	**(5,000)**	(5,000)	**(5,000)**	(5,000)
Total current trade and other receivables		**555,137**	32,228	**555,137**	32,228

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

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

Balance at beginning of the year	**(5,000)**	(5,000)	**(5,000)**	(5,000)
Doubtful debts expense	**-**	-	**-**	-
Balance at end of the year	**(5,000)**	(5,000)	**(5,000)**	(5,000)

6 Inventories

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
Stores and consumables	**81,055**	179,750	**81,055**	179,750

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.

7 Leases

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
Right-of-use Assets				
NON-CURRENT				
NLC Leases	**1,977,055**	1,977,054	**1,977,055**	1,977,054
Less accumulated amortisation	**(305,903)**	(195,908)	**(305,903)**	(195,908)
Motor vehicles leases	**1,379,081**	1,517,433	**1,379,081**	1,517,433
Less accumulated amortisation	**(1,100,066)**	(825,687)	**(1,100,066)**	(825,687)
	1,950,167	2,472,893	**1,950,167**	2,472,893

	Consolidated		Parent	
	2022	2021	2022	2021
Lease liabilities				
CURRENT				
NLC Leases	**83,640**	80,617	**83,640**	80,617
Motor vehicle	**122,635**	198,650	**122,635**	198,650
	206,275	279,267	**206,275**	279,267
NON-CURRENT				
NLC Leases	**1,705,651**	1,789,291	**1,705,651**	1,789,291
Motor Vehicle	**793,274**	1,023,419	**793,274**	1,023,419
	2,489,925	2,812,710	**2,489,925**	2,812,710

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Lease payments for short-term leases with terms of 12 months or less and leases of low-value assets are expensed to profit or loss as incurred.

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

8 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 (%)	
		2022	**2021**
Ganybu Housing Aboriginal Corporation	Australia	100	100

(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 the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse.

(d) Key management personnel remuneration

	Consolidated		Parent	
	2022	**2021**	**2022**	**2021**
	$	$	$	$
Key Management Personnel Remuneration	**775,391**	834,427	**775,391**	834,827

8 Related parties (continued)

(e) Transactions with related parties

The following transactions occurred with related parties:

	Revenue & other income	Expenses	Balance outstanding: Owed to the corporation	Balance outstanding: Owed by the corporation
2022	$	$	$	$
Ganybu Housing Aboriginal Corporation	-	-	-	400,566
2021				
Ganybu Housing Aboriginal Corporation	-	-	-	401,150

9 Property, Plant, and equipment

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Building at cost	**19,051,692**	18,859,557	**19,051,692**	18,859,557
Accumulated depreciation	**(8,476,912)**	(7,926,729)	**(8,476,912)**	(7,926,729)
Total buildings	**10,574,780**	10,932,828	**10,574,780**	10,932,828
Plant and equipment at cost	**3,034,783**	2,727,751	**3,034,783**	2,727,751
Accumulated depreciation	**(2,413,888)**	(2,202,327)	**(2,413,888)**	(2,202,327)
Total plant and equipment	**620,895**	525,424	**620,895**	525,424
Furniture, fixtures and fittings at cost	**548,290**	548,289	**548,290**	548,289
Accumulated depreciation	**(506,442)**	(498,062)	**(506,442)**	(498,062)
Total furniture, fixtures and fittings	**41,848**	50,227	**41,848**	50,227
Motor vehicles at cost	**2,806,704**	2,547,655	**2,806,704**	2,547,655
Accumulated depreciation	**(2,079,077)**	(1,769,356)	**(2,079,077)**	(1,769,356)
Total motor vehicles	**727,627**	778,298	**727,627**	778,298
Infrastructure at cost	**1,682,480**	1,682,479	**1,682,480**	1,682,479
Accumulated depreciation	**(539,371)**	(486,647)	**(539,371)**	(486,647)
Total infrastructure	**1,143,109**	1,195,832	**1,143,109**	1,195,832
Computers at cost	**994,120**	950,422	**994,120**	950,422
Accumulated depreciation	**(668,897)**	(533,332)	**(668,897)**	(533,332)
Total computers	**325,223**	417,089	**325,223**	417,089
Total property, plant, and equipment	13,433,482	13,899,699	13,433,482	13,899,699

Notes to the Financial Statements
For the Year ended 30 June 2022

9 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	Buildings $	Plant and Equipment $	Fixtures and Fittings $	Motor Vehicles $	Infrastructure $	Computer Equipment $	Total $
Year ended 30 June 2022							
Balance at the beginning of year	10,932,828	525,424	50,227	778,298	1,195,832	417,089	13,899,699
Additions	192,134	307,318	-	259,049	-	43,698	802,198
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Depreciation expense	(550,182)	(211,847)	(8,379)	(309,720)	(52,723)	(135,564)	(1,268,415)
Balance at the end of the year	10,574,780	620,895	41,848	727,627	1,143,109	325,223	13,433,482

Consolidated	Buildings $	Plant and Equipment $	Fixtures and Fittings $	Motor Vehicles $	Infrastructure $	Computer Equipment $	Total $
Year ended 30 June 2022							
Balance at the beginning of year	10,932,828	525,424	50,227	778,298	1,195,832	417,089	13,899,699
Additions	192,134	307,318	-	259,049	-	43,698	802,199
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Depreciation expense	(550,182)	(211,847)	(8,379)	(309,720)	(52,723)	(135,564)	(1,268,415)
Balance at the end of the year	10,574,780	620,895	41,848	727,627	1,143,109	325,223	13,433,482

9 Property, Plant, and equipment (continued)

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.

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 formal tenure under Section 19, for a period of 20 years, commencement date 1 July 2018. 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 formal tenure under Section 19. 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.

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 lease until 2053 between Rio Tinto Alcan and the Corporation.

10 Trade and other payables

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
CURRENT				
Trade Payables	**143,635**	300,054	**143,635**	300,054
GST Payable	**112,038**	33,232	**111,584**	33,232
Related party payable	**-**	-	**400,566**	401,151
Other payables	**659,721**	474,315	**659,721**	474,316
	915,395	807,601	**1,315,507**	1,208,753

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.

11 Other liabilities

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
Unexpended grant funds	**2,443,835**	2,620,421	**2,443,835**	2,620,421
Monies held in Trust	**142,149**	-	**142,149**	-
Unearned Income	**40,989**	-	**40,989**	-
Total current contract liabilities	**2,626,973**	2,620,421	**2,626,973**	2,620,421

Grant funding received with sufficiently specific performance obligations attached is initially recorded as a liability. It is recognised as revenue as the performance obligations are satisfied.

12 Borrowings

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
CURRENT				
Borrowings	**34,673**	33,458	**34,673**	33,458
NON-CURRENT				
Borrowings	**149,555**	184,228	**149,555**	184,228
Total Borrowings	**184,228**	217,686	**184,228**	217,686

In July 2020 obtained a loan from Westpac Banking Corporation to acquire a Hino Truck. The loan is for a term of three years and the bank has security over the truck.

13 Employee benefits

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
CURRENT				
Long service leave	**344,352**	266,695	**344,352**	266,695
Provision for RDO	**13,005**	28,094	**13,005**	28,094
Annual Leave	**881,314**	614,821	**881,314**	614,821
	1,238,671	909,611	**1,238,671**	909,611
NON-CURRENT				
Long service leave	**34,135**	62,082	**34,135**	62,082
	34,135	62,082	**34,135**	62,082

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 Asset revaluation reserve

	Consolidated		Parent	
	2022 $	2021 $	2022 $	2021 $
Asset revaluation reserve				
Opening balance	-	373,461	-	373,461
	-	373,461	-	373,461

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

15 Commitments and contingencies

The Group has entered into various commitments for construction and refurbishment of premises at a cost of $nil (2021: $nil).

16 Events occurring after the reporting date

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Groups operations, the results of those operations, or the Group's state of affairs in future financial years. The financial report was authorised for issue on the date shown in the directors' declaration by the Board of Directors.

Directors' Declaration

The Board of Directors of Laynhapuy Homelands Aboriginal Corporation, hereby state that in our opinion:

1. There are reasonable grounds to believe that the Corporation will be able to pay its debts when they become due and payable; and

2. The financial statements and notes are in accordance with the *Corporations (Aboriginal and Torres Strait Islander) Regulations 2007* including:

   a) complying with Accounting Standards – Simplified Disclosures; and

   b) providing a true and fair view of the financial position and performance of the Corporation and the Consolidated entity.

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

Chairperson: ....

Dated this ....9.... Day of ....NOVEMBER.... 2022

Independent auditor's report to the members of Laynhapuy Homelands Aboriginal Corporation

Opinion

We have audited the financial report of Laynhapuy Homelands Aboriginal Corporation (the Corporation) and its subsidiaries (collectively the Group), which comprises the Group consolidated and Corporation statements of financial position as at 30 June 2022, the Group consolidated and Corporation statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) giving a true and fair view of the Corporation's and the Group's financial position as at 30 June 2022 and of their financial performance for the year ended on that date;

(b) complying with Australian Accounting Standards – Simplified Disclosures 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 auditor independence requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 is the directors' report accompanying the financial report.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's or the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation of the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Merit Partners

Merit Partners

Matthew Kennon
Partner

DARWIN
Date: 9 November 2022