



**Laynhapuy Homelands
Aboriginal
Corporation**

ABN: 86 695 642 473

**Consolidated Financial Statements
For the Year Ended 30 June 2023**

Contents

For the Year Ended 30 June 2023

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Directors' Report

30 June 2023

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 2023.

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:

Yananymul Mununggurr (Chairperson)
Barayuwa Mununggurr (Vice Chairperson)
Djambawa Marawili AO
Naypirri Gumana (Appointed 16 November 2022)
Joanne Guyula (Appointed 16 November 2022)
Liam Mununggurr (Appointed 16 November 2022)
Graham Symons
Ray Hall
Yinimala Gumana (Resigned 16 November 2022)
Balku Wunungmurra (Resigned 16 November 2022)

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 \$1,615,845 (2022: \$1,993,640).

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 2023

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	2
Naypirri Gumana	3	3
Balku Wunungmurra	5	2
Djambawa Marawili AO	5	3
Joanne Guyula	3	3
Yanbatji Mununggurr	3	3
Graham Symons	5	5
Ray Hall	5	4

Auditors Independence declaration

The lead auditor's independence declaration in accordance with the *Corporation (Aboriginal and Torres Strait Islander) Act 2006*, for the year ended 30 June 2023 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:

Ms Yananymul Mununggurr

Dated this 21st Day of November 2023

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 2023, 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



Matthew Kennon

Partner

DARWIN

Date: 21 November 2023

LAYNHAPUY HOMELANDS ABORIGINAL CORPORATION
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$	\$	\$	\$
Revenue					
Revenue	3	21,439,843	21,356,184	21,439,843	21,356,035
Other income	3	2,763,568	3,296,719	2,763,114	3,292,173
Total Revenue		24,203,411	24,652,903	24,202,957	24,648,208
Expenses					
Employee benefits expense		(9,573,062)	(8,481,346)	(9,573,062)	(8,481,346)
Consultant & contract fees		(4,665,151)	(5,257,574)	(4,665,151)	(5,257,574)
Fuel		(1,159,491)	(1,055,281)	(1,159,491)	(1,055,281)
Insurance		(775,721)	(857,406)	(775,721)	(857,406)
Materials, parts & supplies		(1,260,524)	(1,665,159)	(1,260,524)	(1,665,159)
Travel & accommodation		(839,121)	(1,441,608)	(839,121)	(1,441,608)
Other expenses		(2,526,652)	(2,098,407)	(2,526,652)	(2,097,990)
Finance costs		(16,330)	(8,017)	(16,330)	(7,228)
Finance costs - leases		(113,080)	(114,006)	(113,080)	(114,006)
Depreciation expense		(1,373,005)	(1,268,415)	(1,373,005)	(1,268,415)
Amortisation – Right of use assets		(261,662)	(412,044)	(261,662)	(412,044)
Loss on disposal of equipment		(23,767)	-	(23,767)	-
Total Expenses		(22,587,566)	(22,659,263)	(22,587,566)	(22,658,057)
Surplus before income tax		1,615,845	1,993,640	1,615,391	1,990,151
Income tax (Expense)/ Benefit		-	-	-	-
Surplus for the year		1,615,845	1,993,640	1,615,391	1,990,151
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		1,615,845	1,993,640	1,615,391	1,990,151

LAYNHAPUY HOMELANDS ABORIGINAL CORPORATION
STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023

ASSETS	Notes	Consolidated		Parent	
		2023	2022	2023	2022
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	4	19,221,379	15,699,418	19,221,379	15,619,544
Trade and other receivables	5	17,304	555,137	17,304	555,137
Inventories	6	33,096	81,055	33,096	81,055
Other assets		409,705	466,606	409,705	466,606
TOTAL CURRENT ASSETS		19,681,484	16,802,216	19,681,484	16,722,342
NON-CURRENT ASSETS					
Property, plant and equipment	9	13,659,844	13,433,482	13,659,844	13,433,482
Right of use asset	7	1,806,140	1,950,167	1,806,140	1,950,167
TOTAL NON-CURRENT ASSETS		15,465,984	15,383,649	15,465,984	15,383,649
TOTAL ASSETS		35,147,468	32,185,865	35,147,468	32,105,991
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	10	1,197,441	915,395	1,677,881	1,315,507
Borrowings	12	149,555	34,673	149,555	34,673
Lease liabilities	7	245,513	206,275	245,513	206,275
Contract liabilities	11	3,663,746	2,626,973	3,663,746	2,626,973
Employee benefits	13	1,296,244	1,238,671	1,296,244	1,238,671
TOTAL CURRENT LIABILITIES		6,552,499	5,021,987	7,032,939	5,422,099
NON-CURRENT LIABILITIES					
Employee benefits	13	187,391	34,135	187,391	34,135
Borrowings	12	-	149,555	-	149,555
Lease liabilities	7	2,310,470	2,498,925	2,310,470	2,498,925
TOTAL NON-CURRENT LIABILITIES		2,497,861	2,682,615	2,497,861	2,682,615
TOTAL LIABILITIES		9,050,360	7,704,602	9,530,800	8,104,714
NET ASSETS		26,097,108	24,481,263	25,616,668	24,001,277
EQUITY					
Retained earnings		26,097,108	24,481,263	25,616,668	24,001,277
TOTAL EQUITY		26,097,108	24,481,263	25,616,668	24,001,277

LAYNHAPUY HOMELANDS ABORIGINAL CORPORATION
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

2023	Parent		
	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2022	24,001,277	-	24,001,277
Total comprehensive income for the year			
Surplus attributable to members of the parent entity	1,615,391	-	1,615,391
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,615,391	-	1,615,391
Balance at 30 June 2023	25,616,668	-	25,616,668

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

2023	Consolidated		
	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2022	24,481,263	-	24,481,263
Total comprehensive income for the year			
Surplus attributable to members of the entity	1,615,845	-	1,615,845
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,615,845	-	1,615,845
Balance at 30 June 2023	26,097,108	-	26,097,108

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

LAYNHAPUY HOMELANDS ABORIGINAL CORPORATION
STATEMENTS OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2023

		Consolidated		Parent	
		2023	2022	2023	2022
	Notes	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		25,326,793	23,778,185	25,326,793	23,773,185
Payments to suppliers and employees		(20,110,147)	(20,349,635)	(20,110,147)	(20,349,217)
Interest received		445,769	29,420	445,769	29,272
Finance costs		(129,410)	(122,023)	(129,410)	(121,234)
Net cash flows provided by operating activities		5,533,005	3,335,848	5,533,005	3,332,006
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant, and equipment		(1,722,734)	(802,198)	(1,722,734)	(802,198)
Net cash flows used in investing activities		(1,722,734)	(802,198)	(1,722,734)	(802,198)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		(34,673)	(33,458)	(34,673)	(33,458)
Lease payments		(253,637)	(276,094)	(253,637)	(276,094)
(Repayments to)/Advances from related parties		-	-	79,874	(585)
Net cash flows used in financing activities		(288,310)	(309,552)	(208,436)	(310,138)
Net increase in cash held		3,521,961	2,224,197	3,601,835	2,219,670
Cash at beginning of reporting period		15,699,418	13,475,221	15,619,544	13,399,874
Cash at end of reporting period	4	19,221,379	15,699,418	19,221,379	15,619,544

Notes to the Financial Statements

For the Year ended 30 June 2023

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 2023 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 - Simplified Disclosures, other authoritative pronouncements of the Australian Accounting Standards Board, and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

Significant 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 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 Group 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 statements of financial position.

Notes to the Financial Statements

For the Year ended 30 June 2023

1 Summary of significant accounting policies (continued)

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

Cash flows in the statements 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 2023. 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.

Notes to the Financial Statements

For the Year ended 30 June 2023

3 Revenue and Other Income

Revenue from continuing operations

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Sales Revenue				
Provision of services	1,807,102	1,377,416	1,807,102	1,377,416
Other revenue				
Royalties & gifts	1,882,248	2,062,052	1,882,248	2,062,052
Grants	17,152,762	17,748,292	17,152,762	17,748,292
Interest income	445,769	29,421	445,769	29,272
Government rebates	151,963	139,003	151,963	139,003
Total other revenue	19,632,741	19,978,768	19,632,741	19,978,619
Total Revenue	21,439,843	21,356,184	21,439,843	21,356,035
Other income	2,763,568	3,296,719	2,763,114	3,292,173
Total Other Income	2,763,568	3,296,719	2,763,114	3,292,173

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.

Notes to the Financial Statements

For the Year ended 30 June 2023

3 Revenue and Other Income (continued)

Grant revenue

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

If conditions are attached to the grant which must be satisfied before the Group is eligible to retain the contribution, the grant will be recognised in the statements 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	
	2023	2022	2023	2022
	\$	\$	\$	\$
Cash at bank and in hand	19,221,379	15,699,418	19,221,379	15,619,544

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 statements of cash flows and are presented within current liabilities on the statements 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 2023 was \$9,125,034 (2022 \$7,460,958).

Notes to the Financial Statements

For the Year ended 30 June 2023

5 Trade and other receivables

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
CURRENT				
Trade receivables	17,304	560,137	17,304	560,137
Provision for impairment (a)	-	(5,000)	-	(5,000)
Total current trade and other receivables	17,304	555,137	17,304	555,137

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	-	-	-	-
Written-off	5,000	-	5,000	-
Balance at end of the year	-	(5,000)	-	(5,000)

6 Inventories

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Stores and consumables	33,096	81,055	33,096	81,055

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 2023

7 Leases

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Right-of-use Assets				
NON-CURRENT				
NLC Leases	2,094,690	1,977,055	2,094,690	1,977,055
Less accumulated amortisation	(436,821)	(305,903)	(436,821)	(305,903)
Motor vehicles leases	1,329,003	1,379,081	1,329,003	1,379,081
Less accumulated amortisation	(1,180,732)	(1,100,066)	(1,180,732)	(1,100,066)
	1,806,140	1,950,167	1,806,140	1,950,167
Lease liabilities				
CURRENT				
NLC Leases	92,482	83,640	92,482	83,640
Motor vehicle	153,031	122,635	153,031	122,635
	245,513	206,275	245,513	206,275
NON-CURRENT				
NLC Leases	1,725,305	1,705,651	1,725,305	1,705,651
Motor Vehicle	585,165	793,274	585,165	793,274
	2,130,470	2,489,925	2,130,470	2,489,925

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.

Notes to the Financial Statements

For the Year ended 30 June 2023

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 (%)	
		2023	2022
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	
	2023	2022	2023	2022
	\$	\$	\$	\$
Key Management Personnel Remuneration	803,666	775,391	803,666	775,391

Notes to the Financial Statements

For the Year ended 30 June 2023

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 Parent	Owed by the Parent
	\$	\$	\$	\$
2023				
Ganybu Housing Aboriginal Corporation	-	-	-	480,440
2022				
Ganybu Housing Aboriginal Corporation	-	-	-	400,566

9 Property, Plant, and equipment

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Building at cost	20,000,833	19,051,692	20,000,833	19,051,692
Accumulated depreciation	(9,060,812)	(8,476,912)	(9,060,812)	(8,476,912)
Total buildings	10,940,021	10,574,780	10,940,021	10,574,780
Plant and equipment at cost	3,252,485	3,034,783	3,252,485	3,034,783
Accumulated depreciation	(2,644,640)	(2,413,888)	(2,644,640)	(2,413,888)
Total plant and equipment	607,846	620,895	607,846	620,895
Furniture, fixtures and fittings at cost	629,257	548,290	629,257	548,290
Accumulated depreciation	(516,461)	(506,442)	(516,461)	(506,442)
Total furniture, fixtures and fittings	112,796	41,848	112,796	41,848
Motor vehicles at cost	3,086,214	2,806,704	3,086,214	2,806,704
Accumulated depreciation	(2,450,400)	(2,079,077)	(2,450,400)	(2,079,077)
Total motor vehicles	635,814	727,627	635,814	727,627
Infrastructure at cost	1,694,256	1,682,480	1,694,256	1,682,480
Accumulated depreciation	(593,281)	(539,371)	(593,281)	(539,371)
Total infrastructure	1,100,975	1,143,109	1,100,975	1,143,109
Computers at cost	1,059,045	994,120	1,059,045	994,120
Accumulated depreciation	(796,652)	(668,897)	(796,652)	(668,897)
Total computers	262,392	325,223	262,392	325,223
Total property, plant, and equipment	13,659,844	13,433,482	13,659,844	13,433,482

Notes to the Financial Statements

For the Year ended 30 June 2023

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 2023							
Balance at the beginning of year	10,574,780	620,895	41,848	727,627	1,143,109	325,223	13,433,482
Additions	949,141	224,154	80,967	391,771	11,776	64,925	1,722,734
Disposals	-	-	-	(23,767)	-	-	(23,767)
Impairment	-	-	-	(99,600)	-	-	(99,600)
Depreciation expense	(583,900)	(237,203)	(10,019)	(360,217)	(53,910)	(127,756)	(1,373,005)
Balance at the end of the year	10,940,021	607,846	112,796	635,814	1,100,975	262,392	13,659,844
Consolidated							
Year ended 30 June 2023							
Balance at the beginning of year	10,574,780	620,895	41,848	727,627	1,143,109	325,223	13,433,482
Additions	949,141	224,154	80,967	391,771	11,776	64,925	1,722,734
Disposals	-	-	-	(23,767)	-	-	(23,767)
Impairment	-	-	-	(99,600)	-	-	(99,600)
Depreciation expense	(583,900)	(237,203)	(10,019)	(360,217)	(53,910)	(127,756)	(1,373,005)
Balance at the end of the year	10,940,021	607,846	112,796	635,814	1,100,975	262,392	13,659,844

Notes to the Financial Statements

For the Year ended 30 June 2023

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 Group 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 Group.

Notes to the Financial Statements

For the Year ended 30 June 2023

10 Trade and other payables

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
CURRENT				
Trade Payables	131,255	143,635	131,255	143,635
GST Payable	328,283	112,038	328,283	111,584
Related party payable	-	-	480,440	400,566
Other payables	737,903	659,721	737,903	659,721
	1,197,441	915,395	1,677,881	1,315,507

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group 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 Contract liabilities

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Unexpended grant funds	3,663,746	2,443,835	3,663,746	2,443,835
Monies held in Trust	-	142,149	-	142,149
Unearned Income	-	40,989	-	40,989
Total current contract liabilities	3,663,746	2,626,973	3,663,746	2,626,973

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.

Notes to the Financial Statements

For the Year ended 30 June 2023

12 Borrowings

	Consolidated		Parent	
	2023 \$	2022 \$	2023 \$	2022 \$
CURRENT				
Borrowings	149,555	34,673	149,555	34,673
NON-CURRENT				
Borrowings	-	149,555	-	149,555
Total Borrowings	149,555	184,228	149,555	184,228

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		Parent	
	2023 \$	2022 \$	2023 \$	2022 \$
CURRENT				
Long service leave	404,637	344,352	404,637	344,352
Provision for RDO	12,465	13,005	12,465	13,005
Annual Leave	879,142	881,314	879,142	881,314
	1,296,244	1,238,671	1,296,244	1,238,671
NON-CURRENT				
Long service leave	187,391	34,135	187,391	34,135
	187,391	34,135	187,391	34,135

Provision is made for the Group'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.

Notes to the Financial Statements

For the Year ended 30 June 2023

14 Commitments and contingencies

The Group has entered into various commitments for construction and refurbishment of premises at a cost of \$NIL (2022: \$NIL).

15 Events occurring after the reporting date

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's 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.

Notes to the Financial Statements

For the Year ended 30 June 2023

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 21st Day of November 2023

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 2023, 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 2023 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 (including Independence Standards)* (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 or 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



Matthew Kennon
Partner

DARWIN

Date: 21 November 2023