

Walalakoo Aboriginal Corporation
Registered Native Title Body Corporate (RNTBC)
ICN 8041

FINANCIAL STATEMENTS
30th JUNE 2018

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General information

The financial report relates to Walalakoo Aboriginal Corporation RNTBC financial statements. The financial report is presented in Australian dollars, which is Walalakoo Aboriginal Corporation RNTBC's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Walalakoo Aboriginal Corporation RNTBC is an not-for-profit Aboriginal Corporation, registered with the Office of the Registrar of Indigenous Corporations and the Australian Charities & Not-for-profits Commission, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

WALALAKOO AC RNTBC [ICN:8041]
70A Stanley Street
Derby WA, 6765

Principal place of business

WALALAKOO AC RNTBC [ICN:8041]
70A Stanley Street
Derby WA, 6765

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on The directors have the power to amend and reissue the financial report.

**DECLARATION OF INDEPENDENCE
BY LEON STIELOW**

TO THE DIRECTORS OF WALALAKOO ABORIGINAL CORPORATION RNTBC

I declare that, to the best of my knowledge and beliefs, during the year ended 30 June 2018 there have been:

- (i) No contraventions of the auditor's independence requirements as set out in the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* or the *Australian Charities and Not-for-profits Commission Act 2012* 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 Walalakoo Aboriginal Corporation RNTBC and the entities it controlled during the period.

STIELOW & ASSOCIATES



LEON STIELOW
CHARTERED ACCOUNTANT AND REGISTERED COMPANY AUDITOR
PRINCIPAL

ASIC REGISTERED AUDITOR N# 270930

Dated this 12th day of September 2018

Perth, Western Australia

**WALALAKOO ABORIGINAL CORPORATION RNTBC
AND CONTROLLED ENTITIES
ICN 8041**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2018**

	Note	Consolidated 2018 \$	Consolidated 2017 \$
Revenue			
Trust distributions		576,032	585,840
Fee for service income		11,629	8,000
Interest received		114	136
Reimbursed expenses		119,205	62,482
Agreement Implementation		30,000	-
Grants received		113,554	232,000
Total Revenue	2	850,534	888,458
Expenses			
Salaries and on costs - staff		301,165	229,062
Traditional owner payments		81,835	77,013
Marketing		6,155	15,004
Travel costs		35,917	17,814
Donations		-	4,000
Accounting & bookkeeping fees		45,600	45,600
Professional fees		123,092	135,751
Motor vehicle expenses		22,502	17,847
Depreciation and amortisation	3	17,208	16,432
Insurance		5,964	6,838
Office running costs		45,849	52,307
Meeting costs		49,583	55,682
Audit fees		4,187	5,386
Legal fees		49,744	113,200
Member Support Services		26,644	-
Share of losses in KAPI		-	-
Total Expenses		815,445	791,936
Surplus / (Deficit) before income tax		35,089	96,522
Income tax expense		-	-
Surplus / (Deficit) after income tax expense for the year attributable to the members of Walalakoo AC RNTBC		35,089	96,522
Other comprehensive income for the year, net of tax			-
Share of KAPI asset revaluation reserve		-	-
Total Comprehensive Income for the year attributable to the members of Walalakoo AB RNTBC		35,089	96,522

The accompanying notes form part of these financial statements.

**WALALAKOO ABORIGINAL CORPORATION RNTBC
AND CONTROLLED ENTITIES
ICN 8041**

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018**

	Note	Consolidated 2018 \$	Consolidated 2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	203,933	290,063
Trade and other receivables	5	198,048	91,330
Other current assets	6	2,425	-
Total Current Assets		404,406	381,393
Non-Current Assets			
Investments accounted for using the equity method	8	-	-
Property, plant and equipment	9	45,656	47,337
Total Non-Current Assets		45,656	47,337
TOTAL ASSETS		450,062	428,730
LIABILITIES			
Current Liabilities			
Trade and other payables	10	74,067	89,569
Employee Provisions	11	18,050	16,305
Total Current Liabilities		92,117	105,874
Non-Current Liabilities			
Nil		-	-
Total Non-Current liabilities		-	-
TOTAL LIABILITIES		92,117	105,874
NET ASSETS		357,945	322,856
EQUITY			
Retained surpluses		357,945	322,856
TOTAL EQUITY		357,945	322,856

The accompanying notes form part of these financial statements.

**WALALAKOO ABORIGINAL CORPORATION RNTBC
AND CONTROLLED ENTITIES
ICN 8041**

**STATEMENT OF CHANGES IN EQUITY
AS AT 30TH JUNE 2018**

Consolidated	Retained Profits \$	Total Equity \$
Balance at 1 July 2017	226,334	226,334
Surplus after income tax expense for the year	96,522	96,522
Other comprehensive income for the year, net of tax	-	-
Balance at 30 June 2017	<u>322,856</u>	<u>322,856</u>
Surplus after income tax expense for the year	35,089	35,089
Other comprehensive income for the year, net of tax	-	-
Balance at 30 June 2018	<u>357,945</u>	<u>357,945</u>

The accompanying notes form part of these financial statements.

**WALALAKOO ABORIGINAL CORPORATION RNTBC
AND CONTROLLED ENTITIES
ICN 8041**

**STATEMENT OF CASH FLOWS
5AS AT 30TH JUNE 2018**

	Note	Consolidated 2018 \$	Consolidated 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		765,691	871,045
Payments to suppliers and employees		(836,408)	(805,749)
Interest received		114	136
Finance costs		-	-
Net cash provided by operating activities	19	<u>(70,603)</u>	<u>65,432</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for shares in associated companies		-	-
Payment for property, plant & equipment		(15,527)	-
Net cash provided by investing activities		<u>(15,527)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of hire purchase liability		-	-
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		(86,130)	65,432
Cash and cash equivalents at the beginning of the financial year		290,063	224,631
Cash and cash equivalents at the end of the financial year	4	<u><u>203,933</u></u>	<u><u>290,063</u></u>

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Statement of significant accounting policies

Basis of Preparation

Walalakoo Aboriginal Corporation RNTBC applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*. The corporation is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

by the directors of the corporation.

Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Walalakoo Aboriginal Corporation RNTBC and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 14. The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group. Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(b) Income tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Statement of significant accounting policies (cont'd)

(c) Plant and Equipment

Plant and equipment is measured on the cost basis and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit and loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 (d) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the assets at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset

Plant & equipment	20 %
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit and loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the corporation commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value (refer to Note 1 (n), amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Statement of significant accounting policies (cont'd)

(d) Financial Instruments (cont'd)

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. A financial assets (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s). In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit and loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest of principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables) a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible means of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have renegotiated, the entity recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Statement of significant accounting policies (cont'd)

(d) Financial Instruments (cont'd)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(e) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Employee Benefits

Short-term employee benefits

Provision is made for the corporation's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The corporation's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The corporation classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the corporation's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The corporation's obligations for long-term employee benefits are presented as current liabilities in its statement of financial position as the corporation expects the obligation will be met within 12 months of reporting date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Statement of significant accounting policies (cont'd)

(g) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(i) Revenue

Trust distributions are recognised as revenue when the corporation obtains control of the distribution. Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

(j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the entity during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 60 days of recognition of the liability.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables in the statement of financial position are shown inclusive of GST, except for accrued expenses which are shown net of GST. The net amount of GST recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Cash flows are presented in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

(n) Economic Dependence

Walalakoo Aboriginal Corporation RNTBC is dependent on trust distributions from the Kimberley Sustainable Development Trust for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe that trust distributions requested for operational costs for the 2016-17 financial year will not be received.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. Statement of significant accounting policies (cont'd)

(o) Fair Value of Assets and Liabilities

The corporation measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the corporation would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant’s ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity’s own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

(p) Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity, but is not control or joint control of those policies. Investments in associates are accounted for in the consolidated financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group’s share of net assets of the associate. In addition, the Group’s share of the profit or loss of the associate is included in the Group’s profit or loss.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Group’s share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group’s interest in the associate.

When the Group’s share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Upon the associate subsequently making profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

**WALALAKOO ABORIGINAL CORPORATION RNTBC ICN: 8041
AND CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 2. Revenue	Consolidated 2018 \$	Consolidated 2018 \$
Revenue from Grants & Trust Distributions		
KSDT distributions	576,032	585,840
Grants	113,554	232,000
	<u>689,586</u>	<u>817,840</u>
Other Revenue		
Fee for service income	11,629	8,000
Other revenue	119,319	62,618
	<u>130,948</u>	<u>70,618</u>
Total Revenue	<u>820,534</u>	<u>888,458</u>
Note 3. Surplus for the year	Consolidated 2018 \$	Consolidated 2017 \$
a. Expenses		
Depreciation:		
motor vehicle	17,208	16,432
plant and equipment	-	-
Total depreciation & impairment	<u>17,208</u>	<u>16,432</u>
Rental expense on operating leases	<u>24,856</u>	<u>24,300</u>
Note 4. Cash and cash equivalents	Consolidated 2018 \$	Consolidated 2017 \$
Cash at bank	<u>203,933</u>	<u>290,063</u>
	<u><u>203,933</u></u>	<u><u>290,063</u></u>
Note 5. Trade and other receivables	Consolidated 2018 \$	Consolidated 2017 \$
CURRENT		
Trade receivables	177,691	12,444
Provision for impairment of receivables (i)	-	-
Other receivables	20,357	78,886
	<u>198,048</u>	<u>91,330</u>

(i) Provision for Impairment of Receivables

Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

**WALALAKOO ABORIGINAL CORPORATION RNTBC ICN: 8041
AND CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 6. Other assets	Consolidated 2018 \$	Consolidated 2017 \$
CURRENT		
Prepayments	2,425	-
	2,425	-

Note 7. Controlled entities

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)*	
		2018	2017
Controlled Subsidiaries of Walalakoo Aboriginal Corporation RNTBC			
Walalakoo Projects Pty Ltd	Australia	100	100

* Percentage of voting power in proportion to ownership

As a result of the above investments and other arrangements, the consolidated results recorded in these financial statements incorporate Walalakoo Aboriginal Corporation RNTBC and Walalakoo Projects Pty Ltd only.

Note 8. Investments accounted for using the equity method

NON-CURRENT	Consolidated 2018	Consolidated 2017
Investment in Kimberley Agriculture & Pastoral Investments Pty Ltd	-	-
	-	-

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the company are set out below:

Name	Principal place of business/County of Incorporation	Ownership interest 2018
Kimberley Agriculture & Pastoral Investments Pty Ltd (KAPI)	Intermediate Holding Company	50%

**WALALAKOO ABORIGINAL CORPORATION RNTBC ICN: 8041
AND CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 8. Investments accounted for using the equity method (cont'd.)

Summarised financial information	KAPI Pty Ltd 2018 \$	KAPI Pty Ltd 2017 \$
<i>Summarised statement of financial position</i>		
Current assets	51	51
Non-current assets	1,000	1,000
Total assets	1,051	1,051
Current liabilities	1,000	1,000
Non-current liabilities	4,136	2,081
Total liabilities	5,136	3,081
Net assets	(4,085)	(2,030)
NON-CURRENT		
Summarised financial information		
	KAPI Pty Ltd 2018 \$	KAPI Pty Ltd 2017 \$
<i>Summarised statement of profit or loss</i>		
Revenue	-	-
Expenses	(2,055)	(2,081)
Loss before income tax	(2,055)	(2,081)
Income tax expense	-	-
Loss after income tax	(2,055)	(2,081)
<i>Reconciliation of the company's carrying amount</i>		
Opening balance	(1,041)	25
WAC Projects share of KAPI loss after tax	(1,028)	(1,041)
	(2,068)	(1,041)
Unrecognised share of business losses	(2,068)	(1,041)

**WALALAKOO ABORIGINAL CORPORATION RNTBC ICN: 8041
AND CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 9. Property, plant & equipment	Consolidated 2018 \$	Consolidated 2017 \$
Motor vehicles - at cost	97,686	82,159
less: accumulated depreciation	(52,030)	(34,822)
Total vehicles, net	<u>45,656</u>	<u>47,337</u>
 Total property, equipment & vehicles, net	 <u>45,656</u>	 <u>47,337</u>

Movement in Carrying Amounts

Movement in the carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year.

	Motor Vehicles \$	Total \$
2017		
Carrying amount at the beginning of year	63,769	63,769
Additions at cost	-	-
Disposals	-	-
Depreciation expense	(16,432)	(16,432)
Carrying amount at the end of year	<u>47,337</u>	<u>47,337</u>
 2018		\$
Carrying amount at the beginning of year	47,337	47,337
Additions at cost	15,527	15,527
Disposals	-	-
Depreciation expense	(17,208)	(17,208)
Carrying amount at the end of year	<u>45,656</u>	<u>45,656</u>

Note 10. Trade and other payables	Consolidated 2018 \$	Consolidated 2017 \$
Trade payables	12,902	53,096
Other payables	61,165	36,473
	<u>74,067</u>	<u>89,569</u>

Note 11. Employee Provisions	Consolidated 2018 \$	Consolidated 2017 \$
CURRENT		
Employee Provisions	<u>18,050</u>	<u>16,305</u>

**WALALAKOO ABORIGINAL CORPORATION RNTBC ICN: 8041
AND CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 12. Key management personnel compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel of the entity during the year are as follows:

	Consolidated	Consolidated
	2018	2017
	\$	\$
Key management personnel compensation	253,874	256,267
	253,874	256,267

Note 13. Operating lease commitments

Non cancellable operating leases contracted for but not capitalised in the financial statements:

	Consolidated	Consolidated
	2018	2017
	\$	\$
Payable - minimum lease payments		
- not later than 12 months	17,333	15,750
- between 12 months and 5 years	-	-
- later than 5 years	-	-

The property lease is a non-cancellable lease with a 12 month term from 1 May 2018 to 30 April 2019.

Note 14. Related party transactions

The Corporation's main related parties are as follows:

(a) Key management personnel

Any persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 12: Key Management Personnel Compensation.

**WALALAKOO ABORIGINAL CORPORATION RNTBC ICN: 8041
AND CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 14. Related party transactions (cont'd)

(b) Other related parties

A number of the directors received Traditional Owner payments in relation to meeting attendance. During the financial year a total amount of \$81,835 was paid to the directors.

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.

(c) Transactions with related parties

No transactions with related parties took place during the financial year. Any transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Note 15. Financial risk management

The entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable, borrowings and unspent grant funds.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated 2018 \$	Consolidated 2017 \$
Financial assets		
Cash and cash equivalents	203,933	290,063
Loans and receivables	198,048	91,330
Available-for-sale financial assets	-	-
Total financial assets	<u>401,981</u>	<u>381,393</u>
Financial liabilities		
Financial liabilities as amortised cost:		
Trade and other payables	74,067	89,569
Borrowings	-	-
Total financial liabilities	<u>74,067</u>	<u>89,569</u>

Note 16. Contingent liabilities

The company had no contingent liabilities as at 30 June 2018.

Note 17. Commitments

The company had no commitments for expenditure as at 30 June 2018.

Note 18. Events after the reporting period

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**WALALAKOO ABORIGINAL CORPORATION RNTBC ICN: 8041
AND CONTROLLED ENTITIES**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 19. Reconciliation of surplus after income tax to net cash from operating activities

	Consolidated	Consolidated
	2018	2017
	\$	\$
Surplus after income tax expense for the year	35,089	96,522
Adjustments for:		
Depreciation	17,208	16,432
Share of net loss in KAPI Pty Ltd	-	999,975
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(109,143)	403,470
(Decrease)/increase in trade and other payables	(13,757)	105,896
Net cash from operating activities	(70,603)	1,622,295

Note 20. Parent Entity Information

Set out below is the supplementary information about the parent entity.

	Parent	Parent
	2018	2017
	\$	\$
<i>Statement of profit or loss and other comprehensive income</i>		
Surplus / (deficit) after income tax	35,135	716,405
Total comprehensive income	35,135	716,405
 <i>Statement of financial position</i>		
Total current assets	404,406	381,393
Total assets	1,450,063	1,332,206
Total current liabilities	92,117	105,874
Total liabilities	92,117	105,874
 Equity		
- retained surpluses	1,357,946	1,226,332

The parent entity has no guarantees in relation to subsidiaries or capital commitments at 30 June 2018.

The corporation's purpose is to act as the Registered Native Title Body Corporate for the area subject to the native title claim filed by the Nyikina Mangala People (WAD6099/1998). The corporation does not anticipate that there will be a shortfall or a going concern issue in the foreseeable future.

The accounting policies are consistent with Note 1.

**WALALAKOO ABORIGINAL CORPORATION RNTBC
AND CONTROLLED ENTITIES
ICN 8041
For the year ending 30TH JUNE, 2018**

THE DIRECTORS RESOLVED:

- 1 that, in the their opinion, there are reasonable grounds to believe that the corporation will be able to pay its debts when they become due and payable
- 2 that, in the their opinion, the financial statements and notes are in accordance with the Corporations (Aboriginal and Torres Strait Islander) Regulations 2007 (CATSI Regulations), including:
- i compliance with the accounting standards
 - ii providing a true and fair view of the financial position and performance of the corporation

The directors' declaration is made in accordance with a resolution of the Board of Directors.

Confirmed:



Robert Watson

Date

23/10/2018

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WALALAKOO ABORIGINAL CORPORATION RNTBC**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of **Walalakoo Aboriginal Corporation RNTBC (the Corporation)** and its subsidiaries (the Group), which comprises the statement of financial position as at **30 June 2018**, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 **Walalakoo Aboriginal Corporation RNTBC**, 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 2018** 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 2007.

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 (the CATSI Act) 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 CATSI Act, 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 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 CATSI Act 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 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 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 to conduct 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 CATSI Act.

Responsibilities of the directors 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 2007. Our responsibility is to express an opinion on the above matters based on our audit conducted in accordance with Australian Auditing Standards.

STIELOW & ASSOCIATES



LEON STIELOW
CHARTERED ACCOUNTANT AND REGISTERED COMPANY AUDITOR
PRINCIPAL

ASIC REGISTERED AUDITOR N# 270930

Dated this 12th day of September 2018

Perth, Western Australia

