

Mandandanji Ltd

Financial Statements

30 June 2017

Mandandanji Ltd

Contents

For the Year Ended 30 June 2017

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Mandandanji Ltd

Directors' Report

30 June 2017

The directors present their report, together with the financial statements of the Group, being Mandandanji Ltd (the Group) and its controlled entities, for the financial year ended 30 June 2017.

Information on directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

Theresa Manns

Experience

Appointed 17 August 2013

Theresa is a proud Mandandanji person with a passion for the protection of Mandandanji culture and heritage for future generations. Theresa's passion for the protection of the Mandandanji culture and heritage is seen through her hard work and dedication to the Mandandanji Native Title claim.

Theresa has worked as a Cultural Heritage Officer for over 18 years. She is also an applicant board member on the Mandandanji Limited board.

Theresa holds the Treasury Portfolio

Rodney Landers

Experience

Appointed 17 August 2013

Rodney Landers is a Mandandanji person from Roma, South West Queensland. Rodney has a keen interest in the health and well-being of Indigenous people. He is currently working on projects to coordinate the implementation of Aboriginal and Torres Strait Islander's health policy within the South West Health Service District. Rodney provides valuable advice on the issues which impact members of the community, including advice on the cultural appropriateness of services provided.

Rodney is well known in the Roma area for his love of sport and participation in supporting Indigenous players. Since returning to Roma in 2003 Rodney has been involved in both junior and senior Rugby League, including the Queensland State of Origin visit in June 2012.

Off the sports field Rodney has been involved in the organisation of Roma based events including NAIDOC week, Sorry Day and Reconciliation Week.

Robert Klaas

Experience

Appointed 25 October 2014

Resigned 2 December 2016

Robert was a director of Mandandanji Limited and member of the MEF (Mandandanji Enterprise Fund) review panel. Robert has worked as a qualified painter and run his own business, based in Roma and servicing regional Queensland for over 12 years.

Robert has lived and worked in Toowoomba, and far North Queensland as a stockman and general labourer. Robert brought his business skills and experience working for big organisations to the board, tendering and quoting for jobs, so he has an understanding of how businesses need to be organised and run to be competitive.

Robert was a Director for 2 years

Mandandanji Ltd

Directors' Report

30 June 2017

Information on directors

Julie Thomas

Experience

Appointed 21 June 2014

Julie is a Director of the Mandandanji Limited Board who brings over 40 years of experience working in public health. Julie is able to bring people together and hear their concerns and act as their advocate, this is invaluable to Mandandanji as they consider MAF and MEF applications.

Julie initially trained as a hairdresser so is used to listening to people, this skill also helps to ensure there is a broad base of opinions when the board considers how to shape the businesses and programs to provide a better future for all Mandandanji people.

Julie has been a Director for 3 years.

Darren Manns

Qualifications

Appointed 18 October 2015

Darren was born in Roma and has worked since the age of 15 in Aboriginal community related settings in Roma, St. George, Dalby, Ipswich, Sunshine Coast, and Brisbane. Darren has worked extensively in government and community agencies advocating on indigenous specific issues and representation.

Darren's formal qualifications compliment his commitment to maintaining a strong focus on ensuring Mandandanji Ltd works towards its vision and focus of developing a Cultural Centre and associated infrastructure i.e. regional interpretive signage.

Darren is the Chairman.

Rebecca Landers

Experience

Appointed 26 May 2013

Rebecca is a director of Mandandanji Limited. Rebecca has served four terms as a Director.

Rebecca worked as an Indigenous Liaison Officer and Employment Consultant for Max Employment in Roma and Brisbane. Rebecca took maternity leave in March 2016, to care for her daughter Zahli.

Rebecca brings her experience working with government agencies and a large company to her work on the Limited board.

Alex Costa

Experience

Appointed 17 August 2013

Resigned 2 December 2016

Alex is a Native Title Applicant for Mandandanji Claim and was a Director of Mandandanji Limited and Mandandanji Enterprises until December 2016.

Alex's work experience has mainly been in heavy machinery operation, construction and as a storeman. Alex's experience as a foreman in a steel fabrication business left him with a wealth of skills and experience that he brought to his roles within Mandandanji.

Leigh Himstedt

Experience

Appointed 2 December 2016

Leigh is a Director of Mandandanji Limited who has been actively involved with Mandandanji matters since 2006 as a Cultural Heritage Officer, Applicant and past Director.

Leigh is preparing to enrol in an MBA.

Leigh is working hard with the Applicants and the Board to secure Native Title recognition for Mandandanji people and grow a strong economic base for the future. This will ensure Mandandanji people are able to continue to connect with and protect their country.

Leigh is the Company Secretary.

Mandandanji Ltd

Directors' Report

30 June 2017

Information on directors

Alexandra Combarngo

Experience

Appointed 2 December 2016

Alexandra is a Director of Mandandanji Limited who has been actively involved with Mandandanji matters since the lodgement of the Native Title claim initially in 2008 and has been a past Director.

Alexandra is an Applicant and has been working with the board and the other applicants to build a strong working relationship which will build opportunities for an enduring economic base for the future by extending contracts and supply agreements.

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 activities of the Group is to operate as multi-focused subsidiaries which provide specialist cultural heritage and vegetation management services to corporations and individuals in the resources sector within the Mandandanji Native Title Claim area.

Mandandanji Limited manages the strategic direction of the Mandandanji business interests and provides over-arching governance and strategic direction for the subsidiary business (Mandandanji Cultural Heritage Services Pty Ltd) to ensure they build and maintain sustainable business models that effectively meet current and future needs of the Mandandanji community.

Mandandanji Cultural Heritage Services Pty Ltd's (MCHS) primary objective is to support proponents undertaking works in the Mandandanji Claim area, to meet their obligations under the Aboriginal Cultural Heritage Act 2003 (QLD).

Mandandanji Enterprises Pty Ltd was established in 2011 to initiate and take advantage of business opportunities associated with the LNG project in Queensland and to facilitate the development of enterprises which reflect the values and purpose of Mandandanji Ltd. The business operations of Mandandanji Enterprises Pty Ltd, including Muddy Waters, were disposed of to MCHS in May 2017, as per a motion of members to reduce operating costs and build sustainable and viable businesses into the future.

During the financial year, Muddy Waters secured status as a preferred supplier to Veolia Water Operations to deliver Vegetation Management Services.

Muddy Waters continues to promote vegetation management services and continues to work to secure other long term contracts. This business unit continues to operate within the Mandandanji Cultural Heritage Services company structure.

No other significant change in the nature of the Mandandanji business activities occurred during the year.

Mandandanji Limited's vision is to:

- Act as leaders for the past, present and future generations.
- Empower our people to be proud, fearless and respectful of where they come from.
- Maintain our cultural traditions, connections to family and country.
- Develop opportunities for economic prosperity.
- Manage sustainable businesses.

Mandandanji Limited board reviewed and updated the Strategic Plan (2017 - 2022).

Mandandanji Ltd

Directors' Report

30 June 2017

Members guarantee

Mandandanji Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 10 for members, subject to the provisions of the company's constitution.

Meetings of directors


During the financial year, 22 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Theresa Manns	22	21
Rodney Landers	22	19
Robert Klaas	12	9
Julie Thomas	22	21
Darren Manns	22	20
Rebecca Landers	22	21
Alex Costa	12	2
Leigh Himstedt	10	9
Alexandra Combarngo	10	10

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2017 has been received and can be found on page 5 of the financial report.

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

Director: 
Darren Manns

Director: 
Leigh Himstedt

Dated 2 November 2017

Mandandanji Ltd

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
Revenue	2	1,354,836	2,414,458
Other income	2	101,535	148,904
Employee benefits and related expenses	4	(891,880)	(1,121,616)
Depreciation and amortisation expense		(75,681)	(58,368)
Grants paid		(127,964)	(99,033)
Meeting costs		(340,155)	(221,622)
Consultancy fees	3	(139,069)	(77,693)
Accounting fees		(129,510)	(140,010)
Auditors remuneration		(61,000)	(32,300)
Insurance		(37,195)	(28,974)
Mandandanji Dreaming Festival		(41,227)	(11,840)
Applicant costs		(179,592)	(450,053)
Other expenses	3	(110,215)	(309,224)
Finance costs	3	(25)	(2)
Profit/(loss) before income tax		(677,142)	12,627
Income tax expense		-	-
Profit/(loss) for the year		(677,142)	12,627
Other comprehensive income:			
Net gain on revaluation of land and buildings		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(677,142)	12,627

The accompanying notes form part of these financial statements.

Mandandanji Ltd

Statement of Financial Position

30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	355,064	495,049
Trade and other receivables	8	702,382	1,503,109
Held-to-maturity financial assets		250,000	250,000
Prepayments		7,444	18,440
TOTAL CURRENT ASSETS		<u>1,314,890</u>	<u>2,266,598</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	239,061	262,797
TOTAL NON-CURRENT ASSETS		<u>239,061</u>	<u>262,797</u>
TOTAL ASSETS		<u>1,553,951</u>	<u>2,529,395</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	124,984	418,958
Employee benefits		5,307	9,635
TOTAL CURRENT LIABILITIES		<u>130,291</u>	<u>428,593</u>
NON-CURRENT LIABILITIES			
Trade and other payables		-	-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>130,291</u>	<u>428,593</u>
NET ASSETS		<u>1,423,660</u>	<u>2,100,802</u>
EQUITY			
Retained earnings		<u>1,423,660</u>	<u>2,100,802</u>
TOTAL EQUITY		<u>1,423,660</u>	<u>2,100,802</u>

The accompanying notes form part of these financial statements.

Mandandanji Ltd

Statement of Changes in Equity

For the Year Ended 30 June 2017

2017

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2016	2,100,802	2,100,802
Loss for the year	(677,142)	(677,142)
Balance at 30 June 2017	<u>1,423,660</u>	<u>1,423,660</u>

2016

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2015	2,088,175	2,088,175
Profit for the year	12,627	12,627
Balance at 30 June 2016	<u>2,100,802</u>	<u>2,100,802</u>

The accompanying notes form part of these financial statements.

Mandandanji Ltd

Statement of Cash Flows For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,432,401	1,361,266
Payments to suppliers and employees	(2,498,400)	(2,254,024)
Interest paid	(25)	-
Interest received	12,073	18,012
Net cash provided by (used in) operating activities	<u>(53,951)</u>	<u>(874,746)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from disposal of plant and equipment	18,000	-
Purchase of plant and equipment	(96,724)	(19,688)
Purchase of financial assets	-	254,215
Amounts paid from/(to) related parties	(7,310)	-
Net cash used by investing activities	<u>(86,034)</u>	<u>234,527</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	-	-
Net cash used by financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents held	(139,985)	(640,219)
Cash and cash equivalents at beginning of year	495,049	1,135,268
Cash and cash equivalents at end of financial year	7 <u>355,064</u>	<u>495,049</u>

The accompanying notes form part of these financial statements.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2017

The financial report includes the consolidated financial statements and notes of Mandandanji Ltd (the Group) which is a company limited by guarantee. The Group operates as a not-for-profit entity.

1 Summary of Significant Accounting Policies

(a) Compliance with Prescribed Requirements

The financial statements are a general purpose financial statements that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and *Corporations Act 2001*.

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 noncurrent assets, financial assets and financial liabilities.

(b) The Reporting Entity

The Group controls subsidiaries as disclosed in Note 6. The financial statements include the value of all income, expenses, assets, liabilities and equity for the Group as an individual entity.

(c) Underlying Measurement Basis

The historical cost convention is used unless otherwise stated.

(d) Other Presentation Matters

Currency and Rounding

Amounts included in the financial statements are in Australian dollars and are rounded to the nearest dollar.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives

Comparative information reflects the audited 2015-2016 financial statements.

Current / Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Group does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as non-current.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(e) Material Uncertainty Related to Going Concern

The Group incurred a loss for the financial year of \$677,142 and maintains working capital (total current assets less total current liabilities) of \$1,184,599. It is expected that losses are approximately \$200,000 from 1 July 2017 to the date of this report.

The following matters have been considered by the Board in determining the appropriateness of the going concern basis of preparation in the financial statements:

- The Board is aware that the Applicants have ratified agreements with Santos and Senex subsequent to the end of the financial year, with expected cash inflows of \$660,000.
- The Board has received approval for or are applying for a range of grants to allow for fulfilment of the strategic direction of Mandandanji.
- The Board is reviewing service agreements and expenditure to reduce operational expenditure.

The ability of the Group to continue as a going concern is dependent upon the generation of sufficient profits and positive cash flow and the realisation of the agreements detailed above. The Board are confident the above will be realised and therefore that it is appropriate to prepare the financial statements on a going concern basis. In the event that the above is not realised, significant uncertainty would exist as to whether the Group could continue as a going concern and, therefore, whether it will realise its assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial statements.

2 Revenue and Other Income

	2017	2016
	\$	\$
Sales revenue		
Cultural Heritage Services sales	599,582	659,421
Compensation and contracted payments	524,469	1,565,950
Wash-down services and sales	105,204	142,515
Veolia Vegetation Management	125,581	46,572
	<u>1,354,836</u>	<u>2,414,458</u>
Other revenue		
Interest income	12,751	18,011
Membership income	80	140
Service fees	3,476	-
Meetings applicants	95,825	52,827
Donations	-	585
Dreaming Festival income and sponsorship	1,752	5,091
Profit/(loss) on sale of assets	(12,349)	-
Subsidies received	-	72,250
	<u>101,535</u>	<u>148,904</u>
Total Revenue	<u><u>1,456,371</u></u>	<u><u>2,563,362</u></u>

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Revenue and Other Income

Accounting Policy

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as discussed below. Revenue is measured at the fair value of the consideration received or receivable.

Cultural Heritage Services and Wash-down Services

Revenue recognition relating to the provision of cultural heritage services and wash-down services is recognised when the services are performed.

Meeting fees

Meeting fees relate to payments received by the organisation in relation to negotiation meetings held with third parties. Revenue is recognised at the completion of the meeting.

Operating grants

Operating grants provided by non-related parties are recognised as revenue when the grant is received.

Compensation and contracted payments

The nature of the Group's business is such that many revenue transactions, particularly in relation to compensation negotiations, do not have a simple structure. Revenue is only recognised when, in management's judgement, the amount of revenue earned, or compensation to be paid is able to be quantified and certainty exists as to whether the revenue is to be paid to the Group.

3 Result for the Year

(a) The result for the year includes the following specific expenses

	2017	2016
	\$	\$
Finance costs		
External	25	2
Total finance costs	<u>25</u>	<u>2</u>
Other expenses:		
Bad debts	(62,465)	84,683
Eco-mapping project	4,374	64,155
Motor vehicle expenses	10,376	16,270
Other operating expenses	125,526	101,272
Staff amenities	3,474	847
Telephone and fax	16,826	22,023
Travel expenses	12,104	19,974
Total other expenses	<u>110,215</u>	<u>309,224</u>

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2017

3 Result for the Year

(a) The result for the year includes the following specific expenses

	2017	2016
	\$	\$
Consulting fees consists of:		
Legal Fees	23,379	11,897
Consultancy fees	115,690	65,796
Total consulting fees	139,069	77,693

Consulting fees disclosed above include facilitation for the Board and other meetings, minute taking duties, training, business support services and other tasks required by the organisation.

4 Employee Benefits and Related Expenses

	2017	2016
	\$	\$
Salary and wages	779,232	952,083
Payroll tax	(16,408)	2,339
Workers compensation	10,576	10,614
Superannuation contributions	92,392	106,482
Other payroll costs	26,088	50,098
Total	891,880	1,121,616

Accounting Policy

Salaries, wages, employer superannuation contributions, annual leave costs and long service leave costs are regarded as employee benefits.

Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Superannuation

Employer superannuation contributions due but unpaid at reporting date are recognised in the Statement of Financial Position at the current superannuation rate.

Annual Leave and Long Service Leave

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 wholly 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 one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2017

5 Detailed Entity Information

The detailed entity information detailed in this note is designed to inform members of the activities of the Group's subsidiary and the activities of the entities the Group is trustee for.

Entity Details

(i) Mandandanji Charitable Trust

The trust was established in October 2010 as a governing entity of multi-focused subsidiaries which provide specialist cultural heritage, training, employment services and other commercial services to corporations and individuals in the resources sector within the Mandandanji Native Title Claim area.

As a holding company, Mandandanji Ltd exists to manage the strategic scope in which its subsidiaries deliver services and to maintain a sustainable business model that effectively meets current and future needs of the Mandandanji community, and industries operating within it. These activities are funded with Native Title Compensation payments that have been established in agreement between the Applicants and the proponents.

(ii) Mandandanji Cultural Heritage Services Pty Ltd

Mandandanji Cultural Heritage Services Pty Ltd (MCHS) is registered as the Cultural Heritage Body for Mandandanji Claim QUD/366/08. The company was created in 2010 to engage with mining, gas and other proponents of development in order to advocate and promote Mandandanji people's rights and interests in the management, protection and conservation of Mandandanji cultural heritage, land and natural resources. Mandandanji Cultural Heritage Services Pty Ltd is engaged in providing specialist cultural heritage advisory services to assist resource sector organisations operating within the Mandandanji Native Title Claim area meet their social and compliance obligations. Cultural heritage services are delivered to major companies in the resource sector by trained Cultural Heritage Monitors. Since May 2017, MCHS also provides a governance framework for the Muddy Waters Weed Hygiene and Wash Down Services (Chinchilla) business unit.

(iii) Mandandanji Enterprises Pty Ltd

Mandandanji Enterprises Pty Ltd is engaged in securing opportunities for real work, education and training for Indigenous people through joint ventures with businesses in the mainstream employment market who are subject to, or who can gain benefit from Indigenous participation.

One of the principal businesses of Mandandanji Enterprises providing real work outcomes and training is Muddy Waters Weed Hygiene and Wash Down Services in Chinchilla.

This Company was sold to Mandandanji Cultural Heritage Services Pty Ltd in May 2017. Muddy Waters a business unit of Mandandanji Enterprises is operating under Mandandanji Cultural Heritage Services Pty Ltd.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2017

5. Detailed Entity Performance

	Mandandanji Charitable Trust		Mandandanji Cultural Heritage Services Pty Ltd		Mandandanji Enterprises Pty Ltd		Elimination		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Cultural heritage services sales	-	-	599,582	659,421	-	-	-	-	599,582	659,421
Compensation and contracted payments	474,469	1,565,950	50,000	-	-	-	-	-	524,469	1,565,950
Veolia vegetation management	-	-	-	-	125,581	46,573	-	-	125,581	46,573
Wash-down services and sales	-	-	29,882	-	75,322	142,515	-	-	105,204	142,515
Service fee income	3,476	150,000	-	-	-	-	-	(150,000)	3,476	-
Grants received	-	-	-	60,460	-	250,000	-	(310,460)	-	-
Interest income	11,971	118,786	508	587	272	164	-	(101,526)	12,751	18,011
Donations	-	585	-	-	-	-	-	-	-	585
Meetings applicants	95,825	52,827	-	-	-	-	-	-	95,825	52,827
Profit/(loss) on sale of assets	(7,594)	-	(4,388)	-	(367)	-	-	-	(12,349)	-
Other income	1,832	5,231	-	-	695,601	72,250	(695,601)	-	1,832	77,481
Total revenue	579,979	1,893,379	675,584	720,468	896,409	511,501	(695,601)	(561,986)	1,456,371	2,563,362
Expenses										
Employee benefits and related expenses	(74,809)	(171,161)	(563,987)	(641,868)	(253,084)	(308,587)	-	-	(891,880)	(1,121,616)
Depreciation and amortisation expense	(30,052)	(8,903)	(9,166)	(5,980)	(36,463)	(43,485)	-	-	(75,681)	(58,368)
Impairment of receivable	(275,662)	(524,506)	-	-	-	-	275,662	524,506	-	-
Grants paid	(127,964)	(349,033)	-	-	-	-	-	250,000	(127,964)	(99,033)
Meeting costs	(319,676)	(165,677)	(19,914)	(51,412)	(565)	(4,533)	-	-	(340,155)	(221,622)
Consultancy fees	(136,069)	(67,030)	(3,000)	(8,673)	-	(1,990)	-	-	(139,069)	(77,693)
Accounting fees	(30,795)	(32,291)	(81,945)	(89,449)	(16,770)	(18,270)	-	-	(129,510)	(140,010)
Applicant costs	(179,592)	(450,053)	-	-	-	-	-	-	(179,592)	(450,053)
Service fee expenses	-	-	-	(120,000)	-	(30,000)	-	150,000	-	-
Finance costs	-	-	(21)	(65,065)	(4)	(36,463)	-	101,526	(25)	(2)
Goodwill impairment	-	-	(695,601)	-	-	-	695,601	-	-	-
Other expenses	(164,600)	(132,509)	(11,964)	(200,286)	(73,073)	(110,003)	-	60,460	(249,637)	(382,338)
Total expenses	(1,339,219)	(1,901,163)	(1,385,598)	(1,182,733)	(379,959)	(553,331)	971,263	1,086,492	(2,133,513)	(2,550,735)
Net profit/(loss) for the year	(759,240)	(7,784)	(710,014)	(462,265)	516,450	(41,830)	275,662	524,506	(677,142)	12,627

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2017

5 Detailed Entity Information

Detailed Entity Assets

	Mandandanji Charitable Trust		Mandandanji Cultural Heritage Services Pty Ltd		Mandandanji Enterprises Pty Ltd		Elimination		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current assets										
Cash and cash equivalents	317,170	343,097	21,223	110,836	16,671	41,116	-	-	355,064	495,049
Trade and other receivables	269,636	1,308,902	421,025	73,295	11,721	120,912	-	-	702,382	1,503,109
Other current assets	250,000	250,000	7,444	8,282	-	10,158	-	-	257,444	268,440
Total current assets	836,806	1,901,999	449,692	192,413	28,392	172,186	-	-	1,314,890	2,266,598
Non-current assets										
Property, plant and equipment	102,984	120,489	136,077	12,657	-	129,651	-	-	239,061	262,797
Total non-current assets	102,984	120,489	136,077	12,657	-	129,651	-	-	239,061	262,797
Total assets	939,790	2,022,488	585,769	205,070	28,392	301,837	-	-	1,553,951	2,529,395

Detailed Entity Liabilities

	Mandandanji Charitable Trust		Mandandanji Cultural Heritage Services Pty Ltd		Mandandanji Enterprises Pty Ltd		Elimination		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current liabilities										
Trade and other payables	(25,073)	(348,534)	(82,713)	(41,359)	(17,198)	(29,065)	-	-	(124,984)	(418,958)
Employee benefits	-	-	(5,307)	-	-	(9,635)	-	-	(5,307)	(9,635)
Loans	-	-	(2,334,549)	(1,290,492)	(11,195)	(779,590)	2,345,744	2,070,082	-	-
Total current liabilities	(25,073)	(348,534)	(2,422,569)	(1,331,851)	(28,393)	(818,290)	2,345,744	2,070,082	(130,291)	(428,593)
Total liabilities	(25,073)	(348,534)	(2,422,569)	(1,331,851)	(28,393)	(818,290)	2,345,744	2,070,082	(130,291)	(428,593)

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2017

6 Controlled Entities

	Percentage Owned (%)* 2017	Percentage Owned (%)* 2016
Subsidiary of Mandandanji Ltd:		
Mandandanji Cultural Heritage Services Pty Ltd	100	100
Trustee for:		
Mandandanji Charitable Trust		
Subsidiary of Mandandanji Charitable Trust:		
Mandandanji Enterprises Pty Ltd	100	100

* Percentage of voting power is in proportion to ownership

7 Cash and Cash Equivalents

	2017 \$	2016 \$
Cash at bank and in hand	314,662	465,049
Short-term bank deposits	40,402	30,000
	355,064	495,049

Accounting Policy

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

8 Trade and Other Receivables

	2017 \$	2016 \$
CURRENT		
Trade receivables	664,159	1,575,334
Provision for impairment	(8,039)	(84,683)
	656,120	1,490,651
Community Member Loans	13,566	3,000
Payroll tax refundable	32,696	9,458
	702,382	1,503,109

(a) Impairment of receivables

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

	2017 \$	2016 \$
Balance at beginning of the year	84,683	-
Additional impairment loss recognised	-	84,683
Provision used	(200)	-
Reversal of impairment	(76,444)	-
	8,039	84,683

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2017

8 Trade and Other Receivables

Accounting Policy

Trade and other receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date. The collectability of receivables is assessed periodically with provision being made for impairment.

9 Property, Plant and Equipment

	2017	2016
	\$	\$
PLANT AND EQUIPMENT		
Plant and machinery		
At cost	229,260	320,668
Accumulated depreciation	(40,108)	(134,524)
Total plant and machinery	<u>189,152</u>	<u>186,144</u>
Motor vehicles		
At cost	37,067	194,929
Accumulated depreciation	(2,626)	(155,870)
Total motor vehicles	<u>34,441</u>	<u>39,059</u>
Office equipment		
At cost	27,829	69,362
Accumulated depreciation	(13,257)	(33,296)
Total office equipment	<u>14,572</u>	<u>36,066</u>
Low value asset pool		
At cost	896	15,539
Accumulated depreciation	-	(14,011)
Total low value asset pool	<u>896</u>	<u>1,528</u>
Total plant and equipment	<u>239,061</u>	<u>262,797</u>
Total property, plant and equipment	<u>239,061</u>	<u>262,797</u>

(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:

	Plant and Machinery	Office Equipment	Motor Vehicles	Low Value Asset Pool	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2016					
Balance at the beginning of the year	186,144	36,066	39,059	1,528	262,797
Additions	58,214	946	28,771	-	87,931
Disposals	(3)	(11,980)	(24,003)	-	(35,986)
Depreciation expense	(55,203)	(10,460)	(9,386)	(632)	(75,681)
Balance at 30 June 2017	<u>189,152</u>	<u>14,572</u>	<u>34,441</u>	<u>896</u>	<u>239,061</u>

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2017

9 Property, Plant and Equipment

Accounting Policy

Acquisition of Assets

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Assets acquired at no cost or for nominal consideration are recognised at their fair value at date of acquisition in accordance with AASB 116 Property, Plant and Equipment.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	10% - 66.66%
Motor Vehicles	25%
Office Equipment	6.67% - 66.67%
Low Value Asset Pool	6.67% - 66.66%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Impairment

All non-current physical assets [and intangible assets where applicable] are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Group determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

When an asset is revalued using either a market or income valuation approach, any accumulated impairment losses at that date are eliminated against the gross amount of the asset prior to restating for the revaluation

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2017

10 Trade and Other Payables

	2017	2016
	\$	\$
CURRENT		
Payroll liabilities	34,777	19,786
Trade payables	14,637	2,556
Australian Taxation Office liabilities	69,368	46,616
Payable to Applicants	-	350,000
Credit cards	6,202	-
	<u>124,984</u>	<u>418,958</u>

Accounting Policy

Trade Payables

Trade payables are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

Payable to Applicants

Compensation funds of \$1,100,000 were recognised as revenue in the 2016 financial year in accordance with an ancillary agreement to a section 31 deed (dated 24 September 2014). The intent of the payments received was communicated to the Board of Mandandanji Limited in a letter dated 16 March 2016 by the Applicant to the Mandandanji People native title application QUD366/2008 (Applicant). On 30 November 2016 at an Applicants meeting the payments were discussed and minuted, with a payment to the Applicants of \$350,000 required. The processing of these payments was rectified at a meeting of the Board of Mandandanji Limited on 1 December 2016. As the intent of the payment and the section 31 deed existed at 30 June 2016, a liability and expense has been recognised for this payment at 30 June 2016 for an amount of \$350,000.

11 Capital and Leasing Commitments

The Group had no commitments for expenditure at 30 June 2017 or 30 June 2016.

12 Related Party Transactions

Transactions with related parties

Due to the complexity of the related party transactions, the transactions disclosed below include only payments made to Directors of Mandandanji entities as well as key management personnel. Therefore additional related party transactions are likely to exist.

	2017	2016
	\$	\$
Related party transactions:		
Employee benefits	214,831	449,738
Meeting costs and travel	496,281	-
Other expenses	71,344	-
	<u>782,456</u>	<u>449,738</u>

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2017

13 Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at amortised cost
- Receivables - held at amortised cost
- Payables - held at amortised cost

The Group does not enter into transactions for speculative purposes, nor for hedging. The Group holds no financial assets classified at fair value through profit or loss.

14 Other Information

Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Income Tax

The Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

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 Group.

Mandandanji Ltd

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 6 to 21, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 
Darren Manns

Director 
Leigh Himstedt

Dated 2 November 2017

Mandandanji Ltd

Independent Audit Report to the members of Mandandanji Ltd

Report on the Financial Report

Disclaimer of Opinion

We were engaged to audit the financial report of Mandandanji Ltd, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

Basis for Disclaimer of Opinion

Our audit identified multiple instances of significant deficiencies in the internal control environment, specifically in relation to the lack of documentation to support the financial records. We were unable to gather sufficient appropriate audit evidence with respect to: community member loans; credit card expenses; meeting costs; employee benefit expenses; grant expenses and applicant costs. The lack of supporting evidence brings into question the occurrence, accuracy and classification of these expenses.

This lack of supporting evidence also raises concern regarding the Group's financial record keeping as required under Section 286 of the *Corporations Act 2001*.

As a result, and in accordance with Australian Auditing Standards, we have determined that the potential cumulative effects on the financial report of uncertainties and undetected misstatements means it is not possible for us to form an opinion on the financial report as a whole.

Notwithstanding our inability to form an opinion on the financial report as a whole, we note the following. The Group receives payments in relation to a native title determination application (NTDA): NTDA QUD 366 of 2008. Should this NTDA be dismissed, a material uncertainty would exist that would cast significant doubt on the Group's ability to continue as a going concern.

Notwithstanding our inability to form an opinion on the financial report as a whole, we note that our audit included testing for the Mandandanji Dreaming Festival which reported expenditure of \$41,227 and income of \$1,752. Our audit of this income was limited to the amounts banked and had our opinion not been disclaimed, we would have expressed a qualified opinion on the completeness of the Mandandanji Dreaming Festival income as reported.

Responsibilities of Directors' for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* 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 have no realistic alternative but to do so.

