

Mandandanji Ltd

Financial Statements

30 June 2018

Mandandanji Ltd

Contents

For the Year Ended 30 June 2018

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Mandandanji Ltd

Directors' Report

30 June 2018

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 2018.

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:

Rodney Landers Experience	<p>Appointed 17 August 2013</p> <p>Rodney Landers is a Mandandanji person from Roma, South West Queensland.</p> <p>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.</p> <p>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.</p> <p>Off the sports field Rodney has been involved in the organisation of events such as NAIDOC, Sorry Day and Reconciliation Week.</p>
Tracey Landers Experience	<p>Appointed 4 November 2017</p> <p>Tracy Landers is a Mandandanji woman from Roma, South west Queensland.</p> <p>Tracy is from a family of 11 children and has five children of her own. Tracy's interests are in the health and education. She has a passion for working with women and children.</p> <p>As an elder of the community she provides cultural advice to many organisations.</p>
Leigh Himstedt Experience	<p>Appointed 2 December 2016</p> <p>Leigh is a Director of Mandandanji Limited who has been actively involved with Mandandanji matters since 2006 as a Cultural Heritage Officer, Applicants and past Director.</p> <p>Leigh is preparing to enrol in an MBA.</p> <p>Leigh is working hard with the Applicants and the Board to secure Native Title recognition for Mandandanji people and provide a strong economic base for the future. This will ensure Mandandanji people are able to continue to connect with and protect their country.</p> <p>Leigh is the Company Secretary.</p>

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Directors' Report

30 June 2018

Information on directors

Raylene Manns

Experience

Appointed 4 November 2017

Raylene Manns is a descendant of the Mandandanji, Gungarri and Bidjara people of Sth West Qld, Raylene was born and raised in Roma on her Mandandanji Traditional Country, who is very proud of her Aboriginal race and is also a strong advocate for her people.

Raylene was voted in as a community director at the AGM held in Roma on 4/11/17 and then voted into the Chairperson position by newly elected board.

Raylene has worked for various Aboriginal Organizations in the past, starting with Aboriginal Development Commission in Roma then Brisbane.

Kambu Progress Association Ipswich

Atsi Teacher Aide – Caboolture East State School

Bidjara Legal Service – Roma

Raylene is very passionate of her culture and still works casually as a Snr Cultural Heritage Officer of MCHS and has for the past 15yrs.

Raylene is a strong believer of doing what's right for the mob and standing up for her race rights.

Raylene has 3 children, Gillian, Leigh and Keara and 7 grandchildren.

Michelle Leslie

Experience

Appointed 3 November 2017

Michelle Leslie is a director for Mandandanji Limited. I am descendant of Weribone Jack and also Nellie Edwards.

My mother, Nola Leslie, has 8 siblings and her mother's name is Josephine Raveneau.

I am currently employed with Woolworths Limited in Mt Ommaney and I have 11 children.

Mandandanji Ltd

Directors' Report

30 June 2018

Information on directors

Michael Combarngo
Experience

Appointed 4 November 2017

Michael currently resides in Toowoomba with his wife. He has also lived in St George & Mitchell.

Michael is a Mandandanji Man through the Combarngo Bill. He was approached by family members to be more involved in Mandandanji to see what experience and knowledge he share with the Business side of things.

He is currently supervising at Muddy Waters at Chinchilla. At Muddy Waters we provide Weed And Seed washdowns for the Coal Seam Gas Companies and provide Vegetation Management for QGC (Shell) thru Veolia.

Prior to taking up a position at Muddy Waters Michael drove Cabs on night shift for Black & White Cabs Toowoomba from March 2015 to Jan 2018

Michael has 24 years' experience in the Oil & Gas Industry with a good safety record. Has experience in Drilling, Workover and Snubbing & Completions.

Michael has vast Experience in preparing Rigs ready for operations having Operating Procedures & other relevant Registers and Safety Forms ETC. Michael has worked for Sirius Well Manufacturing Services on the start of their campaign for Arrow Energy.

Michael maturity, practical experience, and eagerness to learn more computer Systems as he has worked successfully on the Ensign & Savanna Reporting Systems also limited Santos Systems.

Michael has experience in the transport industry loading & unloading general freight and making deliveries. Familiar with laws, rules & regulations.

Michael has fairly good local knowledge of most southern Queensland Also has experience in handling young horses & working on stations riding horses and motor bikes.

Has worked in Sawmills pine & hardwood.

Hobbies

Like to make shelves, benches from used timber

-Follow the Rugby League and Boxing

-Cooking and limited gardening.

-Would like to spend more time camping / Fishing teaching children about the bush of what limited knowledge I have

Jude Saldanha
Theresa Manns

Appointed 4 November 2017

Appointed 17 August 2013

Resigned 4 November 2017

Experience

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

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Directors' Report

30 June 2018

Information on directors

Julie Thomas	Appointed 21 June 2014 Resigned 4 November 2017
Experience	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 4 years.
Darren Manns	Appointed 18 October 2015 Resigned 4 November 2017
Qualifications	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 for the year of focusing on developing a Cultural Centre and associated infrastructure i.e. regional interpretive signage.
Rebecca Landers	Appointed 26 May 2013 Resigned 4 November 2017
Experience	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 Maxx Employment in Roma and Brisbane. Rebecca took maternity leave in March 2016, to care for her daughter Zahli. Rebecca brings to her experience working with government agencies and a large company to her work on the Limited board.
Alexandra Combarngo	Appointed 2 December 2016 Resigned 4 November 2017
Experience	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.

Principal activities

The principal activities of the Group is to operate as multi-focused subsidiaries which provide specialist cultural heritage and employment 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 Ltd

Directors' Report

30 June 2018

Principal activities

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).

MCHS has been working with proponents to continue with MCHS as a service provider, with only a small number not continuing with the company at the date of this report.

Muddy Waters closed its business in July 2018. Several IVMS breaches by senior staff and the failure of income to match expenditure were the reason for the closure.

No other significant change in the nature of these 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).

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, 13 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
Rodney Landers	13	13
Tracey Landers	13	13
Leigh Himstedt	13	10
Raylene Manns	13	13
Michelle Leslie	13	13
Michael Combarngo	13	12

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Directors' Report

30 June 2018

Meetings of directors

	Directors' Meetings	
	Number eligible to attend	Number attended
Jude Saldanha	13	13
Theresa Manns	5	5
Julie Thomas	5	3
Darren Manns	5	5
Rebecca Landers	5	2
Alexandra Combarngo	5	5

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 2018 has been received and can be found on page 7 of the financial report.

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

Director: RAYLENE MANN'S - [Signature]
Raylene Manns

Director: Michelle Leslie
Michelle Leslie

Dated 30 October 2018

Mandandanji Ltd

Statement of Profit and Loss and Other Comprehensive Income For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
Revenue	2	1,870,463	1,354,836
Other income	2	141,214	101,535
Employee benefits and related expenses	4	(968,591)	(891,880)
Depreciation and amortisation expense		(45,935)	(75,681)
Grants paid		(72,117)	(127,964)
Meeting costs		(323,101)	(340,155)
Consultancy fees	3	(89,133)	(139,069)
Accounting fees		(109,625)	(129,510)
Auditors remuneration		(46,500)	(61,000)
Insurance		(13,510)	(37,195)
Bad debts expense		(149,475)	62,465
Mandandanji Dreaming Festival		-	(41,227)
Applicant costs		(131,256)	(179,592)
Other expenses	3	(236,055)	(172,680)
Finance costs	3	(231)	(25)
Profit/(loss) before income tax		(173,852)	(677,142)
Income tax expense		-	-
Profit/(loss) for the year		(173,852)	(677,142)
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		(173,852)	(677,142)

The accompanying notes form part of these financial statements.

Mandandanji Ltd

Statement of Financial Position

30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	696,710	355,064
Trade and other receivables	8	416,053	702,382
Held-to-maturity financial assets		-	250,000
Prepayments		15,427	7,444
TOTAL CURRENT ASSETS		1,128,190	1,314,890
NON-CURRENT ASSETS			
Property, plant and equipment	9	222,528	239,061
TOTAL NON-CURRENT ASSETS		222,528	239,061
TOTAL ASSETS		1,350,718	1,553,951
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	97,202	124,984
Employee benefits		3,708	5,307
TOTAL CURRENT LIABILITIES		100,910	130,291
NON-CURRENT LIABILITIES			
Trade and other payables		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		100,910	130,291
NET ASSETS		1,249,808	1,423,660
EQUITY			
Retained earnings		1,249,808	1,423,660
TOTAL EQUITY		1,249,808	1,423,660

The accompanying notes form part of these financial statements.

Mandandanji Ltd

Statement of Changes in Equity

For the Year Ended 30 June 2018

2018

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	1,423,660	1,423,660
Loss for the year	(173,852)	(173,852)
Balance at 30 June 2018	1,249,808	1,249,808

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	1,423,660	1,423,660

The accompanying notes form part of these financial statements.

Mandandanji Ltd

Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,294,723	2,432,401
Payments to suppliers and employees	(2,184,063)	(2,498,400)
Interest paid	(231)	(25)
Interest received	7,211	12,073
Receipts from grants	15,400	-
Net cash provided by (used in) operating activities	<u>133,040</u>	<u>(53,951)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from disposal of plant and equipment	-	18,000
Purchase of plant and equipment	(32,342)	(96,724)
Amounts paid from/(to) related parties	(9,052)	(7,310)
Proceeds from sale of available for sale investments	250,000	-
Net cash used by investing activities	<u>208,606</u>	<u>(86,034)</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	341,646	(139,985)
Cash and cash equivalents at beginning of year	<u>355,064</u>	<u>495,049</u>
Cash and cash equivalents at end of financial year	<u>7</u> <u>696,710</u>	<u>355,064</u>

The accompanying notes form part of these financial statements.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

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 2016-2017 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(e) Accounting Standards Issued but not yet Effective and not been Adopted Early by the Group

A number of new standards have been issued but are not yet effective for the year ended 30 June 2018. Information on the more significant standards is presented below.

AASB 15 Revenue from Contracts with Customers

This standard replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue related Interpretations and:

- establishes a new revenue recognition model;
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time;
- provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing); and
- expands and improves disclosures about revenue.

The Group is yet to undertake a detailed assessment of the future effect of the adoption of AASB 15 Revenue from Contracts with Customers. When this Standard is first adopted for the year ending 30 June 2020, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- contributions by owners;
- revenue, or a contract liability arising from a contract with a customer;
- a lease liability;
- a financial instrument; or
- a provision.

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

The Group is yet to undertake a detailed assessment of the future effect of the adoption of AASB 1058 Income of Not-for-Profit Entities. When this Standard is first adopted for the year ending 30 June 2020, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(e) Accounting Standards Issued but not yet Effective and not been Adopted Early by the Group

AASB 16 Leases

AASB 16:

- replaces AASB 117 Leases and some lease-related Interpretations;
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;
- provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- largely retains the existing lessor accounting requirements in AASB 117; and,
- requires new and different disclosures about leases.

The Group is yet to undertake a detailed assessment of the future effect of the adoption of AASB 16 Leases. When this Standard is first adopted for the year ending 30 June 2020, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements.

2 Revenue and Other Income

	2018	2017
	\$	\$
Revenue		
Cultural Heritage Services sales	429,788	599,582
Compensation and contracted payments	1,053,432	524,469
Washdown services and sales	268,408	105,204
Veolia Vegetation Management	118,835	125,581
	<u>1,870,463</u>	<u>1,354,836</u>
Other income		
Interest income	7,210	12,751
Membership income	440	80
Service fees	-	3,476
Meetings applicants	96,900	95,825
Other income	5,989	-
Grants received	15,400	-
Dreaming Festival income and sponsorship	-	1,752
Profit/(loss) on sale of assets	-	(12,349)
Mandandanji Enterprises - gain on acquisition	15,275	-
	<u>141,214</u>	<u>101,535</u>
Total Revenue and Other Income	<u><u>2,011,677</u></u>	<u><u>1,456,371</u></u>

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Revenue and Other Income

Accounting Policy

Cultural Heritage Services and Washdown Services

Revenue recognition relating to the provision of cultural heritage services and washdown 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

	2018	2017
	\$	\$
Finance costs		
External	231	25
Total finance costs	<u>231</u>	<u>25</u>
Other expenses:		
Eco-mapping project	-	4,374
Motor vehicle expenses	42,904	10,376
Other operating expenses	152,987	125,526
Staff amenities	5,355	3,474
Telephone and fax	23,754	16,826
Travel expenses	11,055	12,104
Total other expenses	<u>236,055</u>	<u>172,680</u>
Consulting fees consists of:		
Legal Fees	2,082	23,379
Consultancy fees	87,051	115,690
Total consulting fees	<u>89,133</u>	<u>139,069</u>

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.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

4 Employee Benefits and Related Expenses

	2018	2017
	\$	\$
Salary and wages	826,813	779,232
Payroll tax	26,410	(16,408)
Workers compensation	694	10,576
Superannuation contributions	84,802	92,392
Other payroll costs	29,872	26,088
Total	968,591	891,880

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 2018

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 company 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 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, the 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 business 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.

(iv) Consolidation and Elimination

These transactions relate to inter-entity transactions or impairments recognised on Group loan balances.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

5 Detailed Entity Information

Detailed Entity Performance

	Mandandanji Charitable Trust		Mandandanji Cultural Heritage Services Pty Ltd		Mandandanji Enterprises Pty Ltd		Consolidation and Elimination		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Cultural heritage services sales	-	-	429,788	599,582	-	-	-	-	429,788	599,582
Compensation and contracted payments	1,053,432	474,469	-	50,000	-	-	-	-	1,053,432	524,469
Veolia vegetation management	-	-	118,835	-	-	125,581	-	-	118,835	125,581
Washdown services and sales	-	-	268,408	29,882	-	75,322	-	-	268,408	105,204
Service fee income	-	3,476	-	-	-	-	-	-	-	3,476
Grants received	15,400	-	-	-	-	-	-	-	15,400	-
Interest income	6,558	11,971	652	508	-	272	-	-	7,210	12,751
Meetings applicants	96,900	95,825	-	-	-	-	-	-	96,900	95,825
Profit/(loss) on sale of assets	-	(7,594)	-	(4,388)	-	(367)	-	-	-	(12,349)
Mandandanji Enterprises - gain on acquisition	-	-	15,275	-	-	-	-	-	15,275	-
Other income	440	1,832	5,989	-	-	695,601	-	(695,601)	6,429	1,832
Total revenue	1,172,730	579,979	838,947	675,584	-	896,409	-	(695,601)	2,011,677	1,456,371
Expenses										
Employee benefits and related expenses	(129,454)	(74,809)	(839,137)	(563,987)	-	(253,084)	-	-	(968,591)	(891,880)
Depreciation and amortisation expense	(8,216)	(30,052)	(37,719)	(9,166)	-	(36,463)	-	-	(45,935)	(75,681)
Impairment of receivables	(324,288)	(273,848)	(102,894)	60,851	-	(200)	277,707	275,662	(149,475)	62,465
Grants paid	(62,117)	(127,964)	(10,000)	-	-	-	-	-	(72,117)	(127,964)
Meeting costs	(307,337)	(319,676)	(15,764)	(19,914)	-	(565)	-	-	(323,101)	(340,155)
Consultancy fees	(86,133)	(136,069)	(3,000)	(3,000)	-	-	-	-	(89,133)	(139,069)
Accounting fees	(45,005)	(30,795)	(64,620)	(81,945)	-	(16,770)	-	-	(109,625)	(129,510)

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

5 Detailed Entity Information

Detailed Entity Performance

	Mandandanji Charitable Trust		Mandandanji Cultural Heritage Services Pty Ltd		Mandandanji Enterprises Pty Ltd		Consolidation and Elimination		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Applicant costs	(131,256)	(179,592)	-	-	-	-	-	-	(131,256)	(179,592)
Auditors remuneration	(46,500)	(61,000)	-	-	-	-	-	-	(46,500)	(61,000)
Insurance	(3,764)	(464)	(9,746)	(12,727)	-	(24,004)	-	-	(13,510)	(37,195)
Finance costs	-	-	(231)	(21)	-	(4)	-	-	(231)	(25)
Goodwill impairment	-	-	-	(695,601)	-	-	-	695,601	-	-
Mandandanji Dreaming Festival	-	(41,228)	-	-	-	-	-	-	-	(41,228)
Other expenses	(60,171)	(63,723)	(175,884)	(60,089)	-	(48,868)	-	-	(236,055)	(172,680)
Total expenses	(1,204,241)	(1,339,220)	(1,258,995)	(1,385,599)	-	(379,958)	277,707	971,263	(2,185,529)	(2,133,514)
Net profit/(loss) for the year	(31,511)	(759,240)	(420,048)	(710,014)	-	516,450	277,707	275,662	(173,852)	(677,142)

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

5 Detailed Entity Information

Detailed Entity Assets

	Mandandanji Charitable Trust		Mandandanji Cultural Heritage Services Pty Ltd		Mandandanji Enterprises Pty Ltd		Consolidation and Elimination		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current assets										
Cash and cash equivalents	607,395	317,170	89,296	21,223	19	16,671	-	-	696,710	355,064
Trade and other receivables	113,448	269,636	248,108	421,025	-	11,721	-	-	361,556	702,382
Other current assets	67,594	250,000	2,078	7,444	-	-	-	-	69,672	257,444
Total current assets	788,437	836,806	339,482	449,692	19	28,392	-	-	1,127,938	1,314,890
Non-current assets										
Property, plant and equipment	120,101	102,984	102,427	136,077	-	-	-	-	222,528	239,061
Total non-current assets	120,101	102,984	102,427	136,077	-	-	-	-	222,528	239,061
Total assets	908,538	939,790	441,909	585,769	19	28,392	-	-	1,350,466	1,553,951

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

5 Detailed Entity Information

Detailed Entity Liabilities

	Mandandanji Charitable Trust		Mandandanji Cultural Heritage Services Pty Ltd		Mandandanji Enterprises Pty Ltd		Consolidation and Elimination		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current liabilities										
Trade and other payables	(24,082)	(25,073)	(73,121)	(82,713)	-	(17,198)	-	-	(97,203)	(124,984)
Employee benefits	(1,252)	-	(2,456)	(5,307)	-	-	-	-	(3,708)	(5,307)
Loans	-	-	(2,623,451)	(2,334,549)	(19)	(11,195)	2,623,451	2,345,744	(19)	-
Total current liabilities	(25,334)	(25,073)	(2,699,028)	(2,422,569)	(19)	(28,393)	2,623,451	2,345,744	(100,930)	(130,291)
Total liabilities	(25,334)	(25,073)	(2,699,028)	(2,422,569)	(19)	(28,393)	2,623,451	2,345,744	(100,930)	(130,291)

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

6 Controlled Entities

	Percentage Owned (%)* 2018	Percentage Owned (%)* 2017
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.

The business operations of Mandandanji Enterprises Pty Ltd were sold to Mandandanji Cultural Heritage Services Pty Ltd in May 2017.

7 Cash and Cash Equivalents

	2018 \$	2017 \$
Cash at bank and in hand	686,570	314,662
Short-term bank deposits	10,140	40,402
	<u>696,710</u>	<u>355,064</u>

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

	2018 \$	2017 \$
CURRENT		
Trade receivables	496,306	664,159
Provision for impairment	(a) (149,475)	(8,039)
	<u>346,831</u>	656,120
Community Member Loans	22,619	13,566
Payroll tax refundable	(7,641)	32,696
Legal	54,244	-
Total current trade and other receivables	<u>416,053</u>	<u>702,382</u>

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

8 Trade and Other Receivables

(a) Impairment of receivables

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

	2018	2017
	\$	\$
Balance at beginning of the year	8,039	84,683
Additional impairment loss recognised	141,436	-
Provision used	-	(200)
Reversal of impairment	-	(76,444)
Balance at end of the year	149,475	8,039

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

	2018	2017
	\$	\$
PLANT AND EQUIPMENT		
Plant and machinery		
At cost	258,082	229,260
Accumulated depreciation	(73,760)	(40,108)
Total plant and machinery	184,322	189,152
Motor vehicles		
At cost	37,067	37,067
Accumulated depreciation	(11,301)	(2,626)
Total motor vehicles	25,766	34,441
Office equipment		
At cost	28,409	27,829
Accumulated depreciation	(16,529)	(13,257)
Total office equipment	11,880	14,572
Low value asset pool		
At cost	560	896
Total low value asset pool	560	896
Total plant and equipment	222,528	239,061
Total property, plant and equipment	222,528	239,061

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

9 Property, Plant and Equipment

(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 2017					
Balance at the beginning of the year	189,152	14,572	34,441	896	239,061
Additions	28,822	580	-	-	29,402
Depreciation expense	(33,652)	(3,272)	(8,675)	(336)	(45,935)
Balance at 30 June 2018	184,322	11,880	25,766	560	222,528

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.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

9 Property, Plant and Equipment

Accounting Policy

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.

10 Trade and Other Payables

	2018	2017
	\$	\$
CURRENT		
Payroll liabilities	16,866	34,777
Trade payables	2,224	14,637
Australian Taxation Office liabilities	68,407	69,368
Legal expense liability	8,775	-
Accrued expense	930	-
Credit cards	-	6,202
	<u>97,202</u>	<u>124,984</u>

Accounting Policy

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.

11 Capital and Leasing Commitments

The Group had no commitments for expenditure at 30 June 2018 or 30 June 2017.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

12 Native Title Determination

On 7 March 2018, the Federal Court of Australia determined that Native Title no longer existed over the claim area.

The negative determination raises concern in relation to the receipt of future compensation proceeds.

The Group has engaged the services of a solicitor to seek the negative determination to be overturned.

13 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.

	2018	2017
	\$	\$
Related party transactions:		
Employee benefits	318,014	214,831
Meeting costs and travel	429,233	496,281
Other expenses	41,285	71,344
	<u>788,532</u>	<u>782,456</u>

14 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.

15 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.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2018

15 Other Information

Goods and services tax (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.

Events Subsequent to the End of the Financial Year

Muddy Waters Weed Hygiene and Wash Down Services in Chinchilla closed in July 2018.

Mandandanji Ltd

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 6 to 27, 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 2018 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



Raylene Manns

Director



Michelle Leslie

Dated 30 October 2018

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 2018, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Because of the significance of the matter(s) described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an 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: revenue; 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 revenue and 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: on review of financial information subsequent to the end of the financial year, it was identified that losses from 1 July 2018 to 30 October 2018 were approximately \$330,000. These losses and the financial position of the Group at 30 June 2018 indicate that a material uncertainty exists that casts significant doubt on the Group's ability to continue as a going concern.

Directors' Responsibility 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.

Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on conducting the audit in accordance with Australian Auditing Standards. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

