

Mandandanji Ltd

Financial Statements

30 June 2019

Mandandanji Ltd

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For the Year Ended 30 June 2019

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Mandandanji Ltd

Directors' Report

30 June 2019

The directors present their report, together with the financial statements of the Group, being Mandandanji Ltd (the Company) and its controlled entities, for the financial year ended 30 June 2019.

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:

Raylene Manns Experience	<p>Appointed 4 November 2017</p> <p>Raylene Manns is a descendant of the Mandandanji, Gungarri and Bidjara people of Sth West Qld, Raylene was born and raised in Roma on Mandandanji Traditional Country, and is very proud of her race and a strong advocate for her people.</p> <p>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 the newly elected board.</p> <p>Raylene has many years of experience working in various community controlled organisations as well as the former Aboriginal Development Commission in both Roma and Brisbane.</p> <p>With a passion for Cultural Heritage, Raylene is still engaged as a Senior Cultural Heritage Officer and enjoys walking country in preserving and protecting our Cultural Heritage.</p> <p>Raylene is intent on ensuring that Mandandanji culture is preserved and revitalised and that sustainable opportunities are attained to ensure our viability as a service provider and provide ongoing benefits to our future generation including her three children and respective grandchildren.</p>
Michelle Leslie Experience	<p>Appointed 4 November 2017</p> <p>Michelle Leslie is a director for Mandandanji Limited and a descendant of Weribone Jack and Nellie Edwards.</p> <p>Michelle is one of 8 siblings proudly raised by her mother, Nola Leslie and grandmother Josephine Raveneau.</p> <p>Michelle is passionate about the role of women in both informal and formal leadership roles within the community as influencers and decision makers for our people as well as meeting community and family obligations. Michelle strives to develop and enable a community of strong, empowered and connected leaders with the intention of improving outcomes for our people. Michelle is currently employed with Woolworths Limited in Mt Ommaney and is the proud mother of 11 children.</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. For many years, Tracey has worked with families, parents, carers, and the local community, to support the health, growth and development of Aboriginal parents and children, so they are able to fully engage in life and learning. Tracey was always aware of the underlying issue of equity and the need for our people, who were most vulnerable, to access the health care they need and deserve. Tracey is a strong advocate for the Australian Government's "Closing the Gap" initiative and worked closely with Aboriginal Medical Services, Queensland Health and Aboriginal Community Controlled Health Organisations assisting in designing culturally appropriate programs that address local needs.</p> <p>Sadly, Tracey passed away in 2019 and will forever be remembered for her devotion to her family as a mother, partner and sister and her unselfish and enduring care for her community.</p>

Mandandanji Ltd

Directors' Report

30 June 2019

Information on directors

Max Jeffrey MacDonald	Appointed 10 November 2018
Experience	<p>Max was appointed as an applicant in 2012 and became a director of Mandandanji Limited in 2018.</p> <p>Born in Roma in 1949, Max is a local through and through, having worked all throughout the Southwest in various roles before settling on a career with Queensland Rail as a Locomotive Driver based in Roma.</p> <p>A proud father of two daughters, Max is a firm believer in Indigenous economic development and is keen to identify and seize new business opportunities and build collaborative partnerships to continue the growth and maintain the sustainability of the Mandandanji programs and services. In accordance with the Business Plan, Max is committed to assisting individuals and the organisation to achieve financial security and independence by increasing our ability to identify, build and make the most of economic assets.</p> <p>Max is keen to identify potential partnerships, particularly in the Oil and Gas sector and is aware of the vital role engagement across the private sector, the not-for-profit sector, all levels of government and the community plays in assuming responsibility for our own economic wellbeing.</p>
Leigh Himstedt	Appointed 2 December 2016
Experience	<p>Resigned 10 November 2018</p> <p>As a result of the consent determination to extinguish Native Title for the Mandandanji, Leigh resigned from the role of director, as a former applicant, in accordance with the constitution.</p>
Rodney Landers	Appointed 17 August 2013
Experience	<p>Resigned 10 November 2018</p> <p>As a result of the consent determination to extinguish Native Title for the Mandandanji, Rodney resigned from the role of director, as a former applicant, in accordance with the constitution.</p>
Michael Combargno	Appointed 4 November 2017
Experience	<p>Resigned 10 November 2018</p> <p>A proud Mandandanji man with strong connection to Combargno Bill, Michael has extensive background in the Oil and Gas industry having worked as a Driller with workover rigs snubbing and completions for some 24 years. With a background in people management, Michael supervised operations from the Muddy Waters Weed Hygiene facility and managed the Lease Maintenance contract with Veolia.</p>
Jude Saldanha	Appointed 4 November 2017
Experience	<p>Resigned 10 November 2018</p> <p>As a result of the consent determination to extinguish Native Title for the Mandandanji, Jude resigned from the role of director, as a former applicant, in accordance with the constitution.</p>

Mandandanji Ltd

Directors' Report

30 June 2019

Principal activities

The principal activities of the Group are to operate as multi-focused subsidiaries which provide specialist cultural heritage and employment services to corporations and individuals in the resource, private and government sectors within the Mandandanji Traditional 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 people.

As per our Strategic Direction, our Strategic themes are as follow;

Place

Our businesses will ensure Mandandanji peoples' rights and interests are protected and maintained at the highest possible standards in all matters relating to Cultural Heritage and the management of land natural resources.

Economic Development

Mandandanji Limited will support and develop opportunities, which extend and increase participation in primary, secondary and tertiary education and workplace training for Mandandanji people.

People

We will foster a development approach, which will foster recognition of a fulfilled and complete lifestyle with a commitment to continued improvements in the health and well-being of Mandandanji people.

Strength

We will ensure we are well managed, administered and legally compliant. Our businesses and organisations are accountable to our members.

Mandandanji Community

The primary objective of Mandandanji Cultural Heritage Services Pty Ltd (MCHS) 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. Non-compliance with the contract resulted in a loss of income and subsequent insolvency. Negotiations have commenced and are continuing with QGC in the hope of securing a further contract.

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).

Mandandanji Ltd

Directors' Report

30 June 2019

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 member 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, 18 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
Raylene Manns	18	17
Michelle Leslie	17	17
Tracey Landers	15	12
Max Jeffrey MacDonald	6	5
Leigh Himstedt	11	10
Rodney Landers	11	7
Michael Combarngo	12	12
Jude Saldanha	11	9

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 2019 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:
Raylene Manns

Director:
Max Jeffrey MacDonald

Dated 20 December 2019

Mandandanji Ltd

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Mandandanji Ltd and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Benjamin Horner
Chartered Accountant; Registered Company Auditor
Director
McConachie Stedman Audit and Assurance Pty Ltd

20 December 2019

Toowoomba

Mandandanji Ltd

Statement of Profit and Loss and Other Comprehensive Income For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
Revenue	4	744,149	1,870,463
Other income	4	(7,111)	141,214
Employee benefits and related expenses	6	(451,144)	(968,591)
Depreciation and amortisation expense		(49,885)	(45,935)
Grants paid		(26,271)	(72,117)
Meeting costs		(200,077)	(323,101)
Consultancy fees	5	(90,406)	(89,133)
Accounting fees		(107,962)	(109,625)
Auditors remuneration		(50,000)	(46,500)
Insurance		(22,488)	(13,510)
Bad debts expense		(49,640)	(149,475)
Applicant costs		(19,040)	(131,256)
Other expenses	5	(119,403)	(236,055)
Finance costs	5	(1)	(231)
Profit/(loss) before income tax		(449,277)	(173,852)
Income tax expense		-	-
Profit/(loss) for the year		(449,277)	(173,852)
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		(449,277)	(173,852)

The accompanying notes form part of these financial statements.

Mandandanji Ltd

Statement of Financial Position

30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	442,663	696,710
Trade and other receivables	10	99,128	416,053
Prepayments		18,645	15,427
TOTAL CURRENT ASSETS		<u>560,436</u>	<u>1,128,190</u>
NON-CURRENT ASSETS			
Property, plant and equipment	11	167,776	222,528
TOTAL NON-CURRENT ASSETS		<u>167,776</u>	<u>222,528</u>
TOTAL ASSETS		<u>728,212</u>	<u>1,350,718</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	49,977	97,202
Provision for annual leave		11,828	3,708
TOTAL CURRENT LIABILITIES		<u>61,805</u>	<u>100,910</u>
NON-CURRENT LIABILITIES			
Trade and other payables		-	-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>61,805</u>	<u>100,910</u>
NET ASSETS		<u>666,407</u>	<u>1,249,808</u>
EQUITY			
Retained earnings		666,407	1,249,808
TOTAL EQUITY		<u>666,407</u>	<u>1,249,808</u>

The accompanying notes form part of these financial statements.

Mandandanji Ltd

Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Retained Earnings	Total
Note	\$	\$
Balance at 1 July 2018	1,249,808	1,249,808
Loss for the year	(449,277)	(449,277)
Adjustment on adoption of AASB 9	2(a) (134,124)	(134,124)
Balance at 30 June 2019	666,407	666,407

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

The accompanying notes form part of these financial statements.

Mandandanji Ltd

Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	923,891	2,294,723
Payments to suppliers and employees	(1,165,275)	(2,184,063)
Interest paid	(1)	(231)
Interest received	3,388	7,211
Receipts from grants	-	15,400
Net cash provided by (used in) operating activities	<u>(237,997)</u>	<u>133,040</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	(11,440)	(32,342)
Amounts paid from/(to) related parties	(4,610)	(9,052)
Proceeds from sale of available for sale investments	-	250,000
Net cash used by investing activities	<u>(16,050)</u>	<u>208,606</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	(254,047)	341,646
Cash and cash equivalents at beginning of year	696,710	355,064
Cash and cash equivalents at end of financial year	9 <u>442,663</u>	<u>696,710</u>

The accompanying notes form part of these financial statements.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 General Information and Statement of Compliance

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. 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 principal activity of the Group is to operate multi-focused subsidiaries which provide specialist cultural heritage and employment services to corporations and individuals in the resource, private and government sectors within the Mandandanji Traditional Claim area.

2 Changes in Accounting Policies

(a) New and Revised Standards that are effective for these Financial Statements

First time mandatory application of Australian Accounting Standards and Interpretations

AASB 9 Financial Instruments was applied for the first time in 2019. This standard introduces new categories for the classification of financial assets and new impairment rules that focus on expected credit losses rather than incurred losses. The new standard does not impact on the classification of the Group's financial assets (cash and receivables), which will continue to be measured at amortised cost.

When adopting AASB 9, the Group has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement and impairment are recognised in opening retained earnings at 1 July 2018.

On adoption of AASB 9 on 1 July 2018, the impairment of trade receivables increased by \$111,505 and an impairment of \$22,619 was recognised for loans to members and directors, with the corresponding impact of these amounts reflected in an adjustment to retained earnings.

Comparative figures for 2018 have not been restated for AASB 9.

(b) New Standards and Interpretations Issued but not yet Effective and not been Early Adopted by the Group

A number of new standards have been issued but are not yet effective for the year ended 30 June 2019. 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 undertook a review 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Changes in Accounting Policies

(b) New Standards and Interpretations Issued but not yet Effective and not been Early Adopted by the Group

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 has undertaken a review of the future effect of the adoption of AASB 1058 Income of Not-for-Profit Entities. The Group has elected to apply the temporary option available under AASB 2018-8 Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities in relation to any existing concessionary lease arrangements.

The Group has two existing concessionary lease arrangements with the Maranoa Regional Council in relation to two areas of land.

The first is a currently documented lease for land referred to in the lease as the Reserve, being reserved and set apart as a Reserve for Aboriginal Purposes, Cultural Purposes, Roads and Water Places purposes. The lease is for a period of 9 years for \$1 per annum.

The second arrangement is referred to as a Trustee Permit allowing Mandandanji Ltd to access the specified land parcel for low impact traditional/cultural activities and programs being the conduct of religious and spiritual activities and ceremonies; and demonstration and teaching of traditional hunting and gathering skills, bush medicine and art. The last documented continuation of the permit was at a cost of \$1 per annum and expired 23 March 2018. The Group has been negotiating a further long term documented arrangement and currently continues to utilise the land.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Changes in Accounting Policies

(b) New Standards and Interpretations Issued but not yet Effective and not been Early Adopted 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 undertook a review 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.

3 Summary of Significant Accounting Policies

(a) Overall Considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

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 8. The financial statements include the value of all income, expenses, assets, liabilities and equity for the Group.

(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 2017-2018 financial statements.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies

(d) Other Presentation Matters

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.

4 Revenue and Other Income

	2019	2018
	\$	\$
Revenue		
Cultural Heritage Services sales	251,472	429,788
Compensation and contracted payments	429,044	1,053,432
Washdown services and sales	5,150	268,408
Veolia Vegetation Management	58,483	118,835
	<u>744,149</u>	<u>1,870,463</u>
Other income		
Interest income	3,388	7,210
Membership income	20	440
Meetings applicants	-	96,900
Other income	-	5,989
Grants received	5,000	15,400
Profit/(loss) on sale of assets	(15,519)	-
Mandandanji Enterprises - gain on acquisition	-	15,275
	<u>(7,111)</u>	<u>141,214</u>
Total Revenue and Other Income	<u>737,038</u>	<u>2,011,677</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.

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.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2019

4 Revenue and Other Income

Grants received

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.

5 Result for the Year

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

	2019	2018
	\$	\$
Finance costs		
External	1	231
Total finance costs	<u>1</u>	<u>231</u>
Other expenses:		
Electricity	6,618	5,043
Hire of plant and equipment	25,883	17,220
Motor vehicle expenses	6,388	42,904
Printing, stationery and office supplies	9,070	8,503
Rent	17,600	20,110
Repairs and maintenance	11,860	28,917
Staff amenities	837	5,355
Telephone and fax	4,034	23,754
Travel expenses	1,338	11,055
Other operating expenses	35,775	73,194
Total other expenses	<u>119,403</u>	<u>236,055</u>
Consulting fees consists of:		
Legal Fees	71,577	2,082
Consultancy fees	18,829	87,051
Total consulting fees	<u>90,406</u>	<u>89,133</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.

Amounts disclosed above as rent are classed as operating leases. Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

6 Employee Benefits and Related Expenses

	2019	2018
	\$	\$
Salary and wages	412,321	826,813
Payroll tax	(14,649)	26,410
Workers compensation	3,670	694
Superannuation contributions	41,128	84,802
Other payroll costs	8,674	29,872
Total	451,144	968,591

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 2019

7 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 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 compensation payments that have been established in agreement between the former 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 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. From May 2017 until its closure in July 2018, the MCHS also provided 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, continued to operate under Mandandanji Cultural Heritage Services Pty Ltd until its closure in July 2018.

(iv) Consolidation and Elimination

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

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2019

7 Detailed Entity Information

Detailed Entity Performance

	Mandandanji Charitable Trust		Mandandanji Cultural Heritage Services Pty Ltd		Mandandanji Enterprises Pty Ltd		Consolidation and Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Cultural heritage services sales	-	-	251,472	429,788	-	-	-	-	251,472	429,788
Compensation and contracted payments	426,544	1,053,432	2,500	-	-	-	-	-	429,044	1,053,432
Veolia vegetation management	-	-	58,483	118,835	-	-	-	-	58,483	118,835
Washdown services and sales	-	-	5,150	268,408	-	-	-	-	5,150	268,408
Grants received	-	15,400	5,000	-	-	-	-	-	5,000	15,400
Interest income	3,284	6,558	104	652	-	-	-	-	3,388	7,210
Meetings applicants	-	96,900	-	-	-	-	-	-	-	96,900
Membership income	20	440	-	-	-	-	-	-	20	440
Other income	-	-	-	5,989	-	-	-	-	-	5,989
Profit/(loss) on sale of assets	(157)	-	(15,362)	-	-	-	-	-	(15,519)	-
Mandandanji Enterprises - gain on acquisition	-	-	-	15,275	-	-	-	-	-	15,275
Recovery of loan impaired	28,620	-	-	-	-	-	(28,620)	-	-	-
Total revenue	458,311	1,172,730	307,347	838,947	-	-	(28,620)	-	737,038	2,011,677

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2019

7 Detailed Entity Information

	Mandandanji Charitable Trust		Mandandanji Cultural Heritage Services Pty Ltd		Mandandanji Enterprises Pty Ltd		Consolidation and Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expenses										
Employee benefits and related expenses	(174,061)	(129,454)	(277,083)	(839,137)	-	-	-	-	(451,144)	(968,591)
Depreciation and amortisation expense	(11,929)	(8,216)	(37,956)	(37,719)	-	-	-	-	(49,885)	(45,935)
Bad debts expense	(20,592)	(324,288)	(29,048)	(102,894)	-	-	-	277,707	(49,640)	(149,475)
Grants paid	(26,271)	(62,117)	-	(10,000)	-	-	-	-	(26,271)	(72,117)
Meeting costs	(200,077)	(307,337)	-	(15,764)	-	-	-	-	(200,077)	(323,101)
Consultancy fees	(87,406)	(86,133)	(3,000)	(3,000)	-	-	-	-	(90,406)	(89,133)
Accounting fees	(43,342)	(45,005)	(64,620)	(64,620)	-	-	-	-	(107,962)	(109,625)
Applicant costs	(19,040)	(131,256)	-	-	-	-	-	-	(19,040)	(131,256)
Auditors remuneration	(50,000)	(46,500)	-	-	-	-	-	-	(50,000)	(46,500)
Insurance	(12,591)	(3,764)	(9,897)	(9,746)	-	-	-	-	(22,488)	(13,510)
Finance costs	-	-	(1)	(231)	-	-	-	-	(1)	(231)
Other expenses	(44,731)	(60,171)	(74,670)	(175,884)	-	-	-	-	(119,403)	(236,055)
Total expenses	(690,040)	(1,204,241)	(496,275)	(1,258,995)	-	-	-	277,707	(1,186,315)	(2,185,529)
Net profit/(loss) for the year	(231,729)	(31,511)	(188,928)	(420,048)	-	-	(28,620)	277,707	(449,277)	(173,852)

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2019

7 Detailed Entity Information

Detailed Entity Assets

	Mandandanji Charitable Trust		Mandandanji Cultural Heritage Services Pty Ltd		Mandandanji Enterprises Pty Ltd		Consolidation and Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Current assets										
Cash and cash equivalents	422,924	607,395	19,739	89,296	-	19	-	-	442,663	696,710
Trade and other receivables	60,808	171,468	38,320	244,585	-	-	-	-	99,128	416,053
Prepayments	9,964	9,574	8,681	5,853	-	-	-	-	18,645	15,427
Total current assets	493,696	788,437	66,740	339,734	-	19	-	-	560,436	1,128,190
Non-current assets										
Property, plant and equipment	110,320	120,101	57,456	102,427	-	-	-	-	167,776	222,528
Total non-current assets	110,320	120,101	57,456	102,427	-	-	-	-	167,776	222,528
Total assets	604,016	908,538	124,196	442,161	-	19	-	-	728,212	1,350,718
Current liabilities										
Trade and other payables	(17,182)	(24,082)	(32,795)	(73,120)	-	-	-	-	(49,977)	(97,202)
Employee benefits	(11,828)	(1,252)	-	(2,456)	-	-	-	-	(11,828)	(3,708)
Loans	-	-	(2,594,832)	(2,623,451)	-	(19)	2,594,832	2,623,470	-	-
Total current liabilities	(29,010)	(25,334)	(2,627,627)	(2,699,027)	-	(19)	2,594,832	2,623,470	(61,805)	(100,910)
Total liabilities	(29,010)	(25,334)	(2,627,627)	(2,699,027)	-	(19)	2,594,832	2,623,470	(61,805)	(100,910)

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2019

8 Controlled Entities

	Percentage Owned (%)* 2019	Percentage Owned (%)* 2018
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.

9 Cash and Cash Equivalents

	2019 \$	2018 \$
Cash at bank and in hand	432,391	686,570
Short-term bank deposits	10,272	10,140
	442,663	696,710

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.

10 Trade and Other Receivables

	2019 \$	2018 \$
CURRENT		
Trade receivables	394,582	496,306
Provision for bad debts	(a) (306,261)	(149,475)
	88,321	346,831
Loans to members and directors	26,976	22,619
Provision for bad debts	(a) (26,976)	-
	-	22,619
Payroll tax refundable	8,154	(7,641)
Legal	2,653	54,244
Total current trade and other receivables	99,128	416,053

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2019

10 Trade and Other Receivables

(a) Impairment of receivables

Reconciliation of changes in the provision for bad debts expense is as follows:

	2019	2018
	\$	\$
Balance at beginning of the year	149,475	8,039
Adjustment on adoption of AASB 9	134,124	-
Additional bad debts expense recognised	49,638	141,436
Balance at end of the year	333,237	149,475

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.

The collectability of receivables is assessed periodically with provision being made for expected credit losses. The loss allowance is estimated based on the probability and timing of potential defaults, and takes into account forecasts of future economic conditions as well as past events.

\$50,000 receivable from one trade debtor was specifically identified and it was determined by the Group not to recognise an expected credit loss at 30 June 2019 due to the particular circumstances involved. The directors expect to collect this debt and intend to discuss the matter with the members at the next Annual General Meeting.

Expected credit losses in relation to trade debtors were assessed on an aged basis applying 10% to debtors invoiced during the current financial year and 100% to debtors invoiced in previous financial years.

Expected credit losses in relation to member and director loans were assessed at a rate of 100% across the balance.

The previous accounting policy for impairment of trade receivables was the application of a 30% provision across all trade debtors with no provision recognised in relation to member and director loans.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2019

11 Property, Plant and Equipment

	2019	2018
	\$	\$
PLANT AND EQUIPMENT		
Plant and machinery		
At cost	218,566	258,082
Accumulated depreciation	(82,880)	(73,760)
Total plant and machinery	<u>135,686</u>	<u>184,322</u>
Motor vehicles		
At cost	37,067	37,067
Accumulated depreciation	(18,326)	(11,301)
Total motor vehicles	<u>18,741</u>	<u>25,766</u>
Office equipment		
At cost	22,379	28,409
Accumulated depreciation	(12,060)	(16,529)
Total office equipment	<u>10,319</u>	<u>11,880</u>
Low value asset pool		
At cost	3,030	560
Total low value asset pool	<u>3,030</u>	<u>560</u>
Total plant and equipment	<u>167,776</u>	<u>222,528</u>
Total property, plant and equipment	<u><u>167,776</u></u>	<u><u>222,528</u></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 2018					
Balance at the beginning of the year	184,322	11,880	25,766	560	222,528
Additions	2,305	3,997	-	4,098	10,400
Disposals	(12,932)	(1,985)	-	(350)	(15,267)
Depreciation expense	(38,009)	(3,573)	(7,025)	(1,278)	(49,885)
Balance at 30 June 2019	<u>135,686</u>	<u>10,319</u>	<u>18,741</u>	<u>3,030</u>	<u>167,776</u>

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.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2019

11 Property, Plant and Equipment

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 asset's 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	2.5% - 100%
Motor Vehicles	20%
Office Equipment	10% - 66.67%
Low Value Asset Pool	37.5%

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 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 2019

12 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Payroll liabilities	16,031	16,866
Trade payables	22,944	2,224
Australian Taxation Office liabilities	10,460	68,407
Legal expense liability	542	8,775
Accrued expense	-	930
	<u>49,977</u>	<u>97,202</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.

13 Capital and Leasing Commitments

The Group had no commitments for expenditure at 30 June 2019 or 30 June 2018.

14 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2019 (30 June 2018:None).

15 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 concerns in relation to the receipt of future compensation proceeds.

The Group initially engaged the services of a solicitor to seek the negative determination to be overturned. This has not occurred to date and a solicitor is no longer engaged by the Group for this purpose. The Group has been actively seeking to negotiate new service agreements with proponents.

16 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.

	2019	2018
	\$	\$
Related party transactions:		
Employee benefits	159,119	318,014
Meeting costs and travel	222,405	429,233
Other expenses	27,153	41,285
	<u>408,677</u>	<u>788,532</u>

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2019

17 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.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and,
- the contractual terms give rise on specified dates to cash flows are solely payments principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost; and
- contract assets.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2019

17 Financial Instruments

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The financial liabilities of the Group comprise of trade and other payables.

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

18 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.

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2019

18 Other Information

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.

19 Material Uncertainty Related to Going Concern

Financial Performance

The matter of the Group continuing as a going concern has been raised due to a number of factors:

- The Group holds current assets of \$498,631;
- The Group is dependant on future annual payments from proponents; and,
- The loss for the year ended 30 June 2019 is \$449,277, and the Group has a history of trading losses.

The Board believe the financial statements should be prepared on a going concern basis as the budget for the 2020 shows an expected surplus and there are proponent payments contracted until the 2024 year. Should the budget surplus not be realised, or should the proponent payments cease, significant uncertainty would exist as to whether the Group will continue as a going concern, and, therefore, whether they will realise their assets and extinguish their liabilities in the normal course of operations and at the amounts stated in the financial statements.

Special General Meeting – 22 December 2019

A meeting of the Mandandanji People has been called on 22 December 2019 to determine a significant matter. The Mandandanji People attending the meeting will be asked to decide whether they continue to authorise:

1. Role of Mandandanji Cultural Heritage Services Pty Ltd.
 - (a) Mandandanji Cultural Heritage Services Pty Ltd to continue to be the cultural heritage body under section 36 ACHA and to continue to carry out the statutory function under section 37 ACHA to *“identify for the benefit of a person who needs to know under the Act, the Aboriginal Parties for the area or for a particular part of the area”*;
 - (b) Mandandanji Cultural Heritage Services Pty Ltd to continue to undertake the provision of services to the Mandandanji People to enable them to undertake cultural heritage surveys by providing such administrative and other support as necessary, including but not limited to the preparation and approval of budgets, employment and payment of Mandandanji People, ensuring all tax and other statutory deductions are made, insurance, workers compensation, safety inductions, developing policies and procedures, arranging medicals, arranging transport to sites, training and upskilling of Mandandanji People to better enable them to undertake cultural heritage surveys - as is necessary to enable the Mandandanji People to meet statutory requirements and the requirements of Proponents.
 - (c) Mandandanji Cultural Heritage Services Pty Ltd to charge a fee to Proponents and others to cover the costs of its operations and to operate profitably on behalf of the Mandandanji People;
 - (d) The board of Mandandanji Cultural Heritage Services Pty Ltd to:
 - (i) communicate with Proponents and others under existing agreements and those wanting to undertake new ground disturbing activities on Mandandanji country;

Mandandanji Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2019

19 Material Uncertainty Related to Going Concern

- (ii) negotiate and enter new agreements about the basis upon which the Mandandanji will assist Proponents and others to meet their cultural heritage duty of care and ensure the effective long-term management, protection and conservation of Mandandanji Aboriginal Cultural Heritage;
 - (iii) perform obligations under existing agreements on behalf of the Mandandanji People;
 - (iv) arrange Mandandanji People to undertake cultural heritage surveys to assist Proponents to meet their cultural heritage duty of care and to ensure the effective long-term management, protection and conservation of Mandandanji Aboriginal Cultural Heritage;
2. Future role and authority (if any) of those persons who previously comprised the applicant for the Mandandanji People in NTDA QUD 366/2008.
3. Whether it is part of the laws and customs of the Mandandanji People that different Mandandanji people or families speak for different and defined areas of Mandandanji Country and all that occurs on it.

Whether there is a recent history of different Mandandanji People/families or groups of people/families speaking for different parts of Mandandanji country and all that occurs on it.

Whether (in the future) the Mandandanji People wish to undertake the long-term management, protection and conservation of Mandandanji Aboriginal Cultural Heritage by different Mandandanji People and/or families speaking for and being entitled to manage (to the exclusion of all other Mandandanji People) cultural heritage on defined areas of Mandandanji country.

Should the Mandandanji People choose to no longer authorise Mandandanji Cultural Heritage Services Pty Ltd as detailed in the resolutions above, significant uncertainty would exist as to whether the Group will continue as a going concern, and, therefore, whether they will realise their assets and extinguish their liabilities in the normal course of operations and at the amounts stated in the financial statements.

Mandandanji Ltd

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 6 to 28, 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 2019 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
Max Jeffrey MacDonald

Dated 20 December 2019

Mandandanji Ltd

Independent Audit Report to the members of Mandandanji Ltd

Report on the Financial Report

Qualified Opinion

We have audited the financial report of Mandandanji Ltd, which comprises the statement of financial position as at 30 June 2019, 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.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of Mandandanji Ltd is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Qualified Opinion

Due to the nature of revenue generated by the Group and the Group's internal control environment, it is impracticable for our audit to test revenue balances prior to entry into the Group's financial records, and our audit procedures are therefore restricted to amounts recorded. We therefore are unable to express an opinion whether revenue of the Group is complete.

The audit report for the Group for the year ended 30 June 2018 expressed a disclaimer of opinion. The disclaimer of opinion was expressed as our audit for the year ended 30 June 2018 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 brought into question the occurrence, accuracy and classification of revenue and these expenses. As a result, and in accordance with Australian Auditing Standards, we determined that the potential cumulative effects on the financial report of uncertainties and undetected misstatements meant it was not possible for us to form an opinion on the financial report as a whole. In the audit for the year ended 30 June 2019, we were able to obtain sufficient and appropriate audit evidence in relation to opening balances in the Statement of Financial Position at 1 July 2018. No opinion is expressed on comparative information in the financial report.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Mandandanji Ltd

Independent Audit Report to the members of Mandandanji Ltd

Material Uncertainty Related to Going Concern

We draw attention to Note 19 in the financial report, which indicates that the Group incurred a net loss of \$449,277 during the year ended 30 June 2019 and, as of that date, the Group holds cash of \$442,663. It details the significance of the decisions to be made at the Special General Meeting of the Mandandanji People in relation to the operations of Mandandanji Cultural Heritage Services Pty Ltd. As stated in Note 19, these events or conditions, along with other matters as set forth in Note 19, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

We draw attention to the Group's audit report for the year ended 30 June 2018 where a disclaimer of opinion was expressed. Details in relation to the disclaimer of opinion expressed for the year ended 30 June 2018 are included in the basis for qualified opinion paragraph.

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 objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- a) Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

Mandandanji Ltd

Independent Audit Report to the members of Mandandanji Ltd

Auditor's Responsibility for the Audit of the Financial Report continued

- d) Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report of the Group. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern
- e) Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Benjamin Horner
Chartered Accountant; Registered Company Auditor
Director
McConachie Stedman Audit and Assurance Pty Ltd

Toowoomba

20 December 2019