

# **New South Wales Reconciliation Council**

## **Audited Financial Report**

For the year ended 30<sup>th</sup> June 2018

Address: Level 1, 93 Norton Street, Leichhardt, NSW 2040

Phone: (02) 8095 9600

Email: [info@nswreconciliation.org.au](mailto:info@nswreconciliation.org.au)

Facebook: [www.facebook.com/nswreconciliation](http://www.facebook.com/nswreconciliation)

Twitter: [www.twitter.com/nswrc](http://www.twitter.com/nswrc)

# New South Wales Reconciliation Council

## Contents

	Page
Responsible Entities' Report	1-2
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-14
Responsible Entities' Declaration	15
Independent Audit Report	16-17

# New South Wales Reconciliation Council

## Responsible Entities' Report

The Responsible Entities of New South Wales Reconciliation Council present their Report together with the financial statements for the year ended 30 June 2018 and the Independent Audit Report thereon.

### Responsible Entities details

The following persons were Responsible Entities of New South Wales Reconciliation Council during or since the end of the financial year.

#### **Lindon Coombes**

##### ***Indigenous Chair***

Lindon has worked in Aboriginal Affairs for over 18 years in a range of positions. Prior to joining PwC's Indigenous Consulting (PIC) in January 2014, he was the CEO of the National Congress of Australia's First Peoples, a representative body that provides a national voice for Aboriginal and Torres Strait Islander people. Previous to these positions, he was CEO of Tranby Aboriginal College in Glebe, the oldest Indigenous education institution in Australia. He has also worked in a range of roles in the NSW Government. The last position held there was in the Senior Executive Service as Executive Director of Policy and Research at the NSW Department of Aboriginal Affairs. He also acted in the position of Director General of the Department on a number of occasions. He has worked for ATSIC and spent a number of years as Senior Policy Advisor to successive Ministers for Aboriginal Affairs in the NSW Government.

#### **Cecilia Anthony**

##### ***Non-Indigenous Chair***

Cecilia Anthony is a strategic expert with a professional background in training, advocacy and campaigning, politics and policy. She has worked extensively in Aboriginal and Torres Strait Islander policy development in government and at NGO level. Cecilia is a former Principal Policy Officer with the Department of Aboriginal Affairs where she was responsible for economic development and employment policy. In recent years Cecilia has worked with the National Congress of Australia's First Peoples, responsible for developing and implementing their Government Relations Strategy. Between 2007 and 2011 Cecilia worked as a senior advisor to the New South Wales Minister for Aboriginal Affairs. Cecilia is now a senior consultant for Diverse Werks.

#### **Deborah Soler**

##### ***Treasurer***

Deborah is an experienced leader with over 20 years of experience in developing and strengthening financial and corporate management practices in corporate and not for profit environments with strength in operational and people management. Her objective on the Management Committee is to make a valuable contribution within a dynamic and socially responsible organisation.

Below are other members of the management committee during the financial year:

Jody Broun

Dominic Wy Kanak

Rebecca Gallegos, appointed on 05<sup>th</sup> December 2017

Sophie Mouritsen, appointed on 05<sup>th</sup> December 2017

Carol Vale, appointed on 25<sup>th</sup> June 2018

# New South Wales Reconciliation Council

The following members of the management committee resigned during the financial year.

Alison Faure-Brac resigned on 05<sup>th</sup> December 2017

Fiona Britton resigned on 05<sup>th</sup> December 2017

## Principal activities

New South Wales Reconciliation Council raises awareness and understanding of reconciliation and Indigenous issues, advocates for social justice, equity and Indigenous rights and grows and supports the people's movement for reconciliation.

There have been no significant changes in the nature of these activities during the year.

## Members' liabilities

The association is incorporated under the Associations Incorporation Act 2009 (New South Wales) and is a charity registered with the Australian Charities and Not-for-profits Commission (ACNC). If the association is wound up, the constitution states that the liability of a member of the association to contribute towards the payment of the debts and liabilities of the association or the costs, charges and expenses of the winding up of the association is limited to the amount, if any, unpaid by the members in respect of membership. At 30 June 2018, there was no outstanding membership.

Signed in accordance with a resolution of the Responsible Entities.

---

Lindon Coombes  
Responsible Entity  
Date:

---

Cecilia Anthony  
Responsible Entity  
Date:

# New South Wales Reconciliation Council

## Statement of Profit or Loss and Other Comprehensive Income For the year ended 30<sup>th</sup> June 2018

	Note	2018 \$	2017 \$
<b>Revenue</b>			
NSW State Government Grant		150,129	274,457
Other Grants and Donations		15,920	15,870
Merchandise sales		1,599	910
Event admission fees		21,361	-
Commission and Consultancy		4,627	15,982
Other income		-	2,408
Interest received		142	390
<b>Total revenue</b>		<b>193,778</b>	<b>310,017</b>
<b>Expenses</b>			
Stock costs		3,125	-
Project and Event costs		31,465	46,707
Media and Communications		4,503	1,330
Equipment and IT related expenses		4,224	6,970
Rent		11,038	18,259
Insurance		12,801	13,944
Audit fees		1,500	3,000
Other administration expenses		1,801	6,413
Depreciation		1,441	700
Consultant fees, contractors and training	2	3,225	52,347
Employee expenses	3	75,006	139,400
<b>Total expenses</b>		<b>150,129</b>	<b>289,070</b>
<b>Surplus/(deficit) from ordinary activities</b>		<b>43,649</b>	<b>20,947</b>
Other comprehensive income		-	-
<b>Net surplus/(deficit)</b>		<b>43,649</b>	<b>20,947</b>

# New South Wales Reconciliation Council

## Statement of Financial Position as at 30<sup>th</sup> June 2018

	Note	2018 \$	2017 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	210,882	80,394
Receivables	5	15,000	134,750
Inventory	6	839	1,334
Prepayments	7	3,652	3,051
<b>Total Current Assets</b>		<b>230,373</b>	<b>219,529</b>
<b>Non-Current Assets</b>			
Equipment	8	4,726	2,492
<b>Total Non-Current Assets</b>		<b>4,726</b>	<b>2,492</b>
<b>Total Assets</b>		<b>235,099</b>	<b>222,021</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	9	10,915	26,372
Current tax liabilities	10	1,401	7,258
Provisions	11	3,373	-
Payment received in advance	12	112,651	125,280
<b>Total Current Liabilities</b>		<b>128,340</b>	<b>158,911</b>
<b>Total Liabilities</b>		<b>128,340</b>	<b>158,911</b>
<b>Net Assets</b>		<b>106,759</b>	<b>63,110</b>
<b>Accumulated Funds</b>			
Accumulated surplus		106,759	63,110
<b>Accumulated Funds at the end of the year</b>		<b>106,759</b>	<b>63,110</b>

# New South Wales Reconciliation Council

## Statement of Changes in Equity For the year ended 30<sup>th</sup> June 2018

	<b>Accumulated Funds</b>
<b>Balance at 01<sup>st</sup> July 2016</b>	<b>42,163</b>
Surplus/(deficit) after income tax for the year	20,947
<b>Balance at 30<sup>th</sup> June 2017</b>	<b>63,110</b>
Surplus/(deficit) after income tax for the year	43,649
<b>Balance at 30<sup>th</sup> June 2018</b>	<b>106,759</b>

# New South Wales Reconciliation Council

## Statement of Cash Flows For the year ended 30<sup>th</sup> June 2018

	Note	2018 \$	2017 \$
<b>Cash Flow From Operating Activities</b>			
Cash received from Grants, Donations and other activities		314,538	309,627
Payments to suppliers and employees		(180,517)	(302,239)
Interest received		142	390
Net cash provided by (used in) operating activities	13	<u>134,163</u>	<u>7,778</u>
<b>Cash Flow From Investing Activities</b>			
Payments for office equipment		(3,675)	(1,239)
Net cash provided by (used in) investing activities		<u>(3,675)</u>	<u>(1,239)</u>
Net increase (decrease) in cash held		130,488	6,539
Cash at the beginning of the year		<u>80,394</u>	<u>73,855</u>
Cash at the end of the year		<u>210,882</u>	<u>80,394</u>



# New South Wales Reconciliation Council

## Notes to the Financial Statements For the year ended 30<sup>th</sup> June 2018

### 1. Statement of significant accounting Policies

New South Wales Reconciliation Council is an association incorporated under the Associations Incorporation Act 2009 (New South Wales) and is a charity registered with the Australian Charities and Not-for-profits Commission (ACNC) under the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements have been prepared on the basis that the association is not a reporting entity because there are no users dependent on a general purpose financial report. The financial statements are therefore special purpose financial statements that have been prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act 2009 (New South Wales).

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and AASB 1054 Australian Additional Disclosures.

New South Wales Reconciliation Council is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements for the year ended 30 June 2018 were approved and authorised for issue by the Board of Responsible Entities on 10 December 2018.

#### 1.1 Basis of preparation

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and liabilities for which the fair value basis of accounting has been applied.

#### 1.2 New and amended standards adopted by the association

The association has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board that are relevant to its operations and effective as of 01 July 2017. None of the amendments have had a significant impact on the association.

#### 1.3 Issued standards and interpretations not early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the association for the annual reporting period ended 30 June 2018, unless otherwise stated.

# New South Wales Reconciliation Council

## Notes to the Financial Statements For the year ended 30<sup>th</sup> June 2018

### 1.4 Accounting estimates and judgements

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may be substantially different. In preparing the financial report, the significant judgements made by management in applying the association's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the previous financial year.

### 1.5 Significant accounting policies

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (a) Revenue

Revenue comprises revenue from grants, donations, fundraising activities, membership fees, commissions, interest and the sale of goods.

Revenue is measured by reference to the fair value of consideration received or receivable by the association for the goods supplied and services provided, excluding Goods and Services Tax, rebates, and discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the association's different activities have been met. Details of the activity-specific recognition criteria are described below.

#### **Grants**

A number of the association's programs are supported by grants received from the state and local governments, and other grantors.

If conditions are attached to a grant which must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

# New South Wales Reconciliation Council

## Notes to the Financial Statements For the year ended 30<sup>th</sup> June 2018

Where a grant is received on the condition that specified services are delivered, to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year-end until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the association obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the association receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

### ***Donations and income from fundraising activities***

Monies received from fundraising activities and donations collected, including cash and goods for resale, are recognised as revenue when the association gains control, economic benefits are probable and the amounts can be measured reliably.

### ***Sale of goods***

Revenue from the sale of goods is recognised when the control of goods passes to the customer.

### ***Interest and other income***

Interest and other income are recognised when received or receivable.

### **(b) Operating expenses**

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

### **(c) Equipment**

Equipment (comprising furniture and office equipment) is initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the association's management.

Equipment is subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of equipment. The following useful lives are applied:

# New South Wales Reconciliation Council

## Notes to the Financial Statements For the year ended 30<sup>th</sup> June 2018

- Furniture: 2 - 3 years
- Computers and other office equipment: 2 - 3 years

### **(d) Inventory**

Goods for resale are valued at the lower of cost and net realisable value. No value is ascribed to goods for resale that have been donated to the association where fair value cannot be reliably determined. Net realisable value is the estimated selling price in the ordinary course of business, less any discount.

### **(e) Income tax**

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

### **(f) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### **(g) Employee benefits**

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

### **(h) Provisions, contingent liabilities and contingent assets**

Provisions are recognized when New South Wales Reconciliation Council has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

### **(i) Payment received in advance (deferred income)**

# New South Wales Reconciliation Council

## Notes to the Financial Statements For the year ended 30<sup>th</sup> June 2018

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

### (j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

### (k) Economic dependence

The association is dependent upon the ongoing receipt of State Government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue in the 2018 financial year.

### (l) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted with changes in presentation for the current financial year.

## 2. Consultant fees, contractors and training

	2018	2017
	\$	\$
Consultant fees & Intern costs	3,080	51,861
Training and Development	145	486
<b>Total</b>	<b>3,225</b>	<b>52,347</b>

# New South Wales Reconciliation Council

## Notes to the Financial Statements For the year ended 30<sup>th</sup> June 2018

### 3. Employee expenses

	2018	2017
	\$	\$
Salaries and wages	65,545	134,909
Superannuation	6,088	12,075
Leave entitlements & Insurance	3,373	(7,584)
<b>Total</b>	<b>75,006</b>	<b>139,400</b>

### 4. Cash and cash equivalents

	2018	2017
	\$	\$
Cash at bank	210,882	80,384
<b>Total</b>	<b>210,882</b>	<b>80,384</b>

### 5. Receivables

	2018	2017
	\$	\$
Grant Receivable	-	134,750
Donations	15,000	-
<b>Total</b>	<b>15,000</b>	<b>134,750</b>

### 6. Inventory

	2018	2017
	\$	\$
Merchandise	839	1,334
<b>Total</b>	<b>839</b>	<b>1,334</b>

# New South Wales Reconciliation Council

## Notes to the Financial Statements For the year ended 30<sup>th</sup> June 2018

### 7. Prepayments

	2018	2017
	\$	\$
Worker compensation insurance	817	867
Public Liability insurance	1,968	2,184
Other paid expenses	867	-
<b>Total</b>	<b>3,652</b>	<b>3,051</b>

### 8. Equipment

	2018	2017
	\$	\$
Office furniture		
- At cost	81	81
- Less: Accumulated depreciation	(81)	(81)
	-	-
Computers and Laptops		
- At cost	7,387	3,713
- Less: Accumulated depreciation	(2,661)	(1,221)
	4,726	2,492
<b>Total</b>	<b>4,726</b>	<b>2,492</b>

### 9. Payables

	2018	2017
	\$	\$
Payable to suppliers	8,699	25,246
Superannuation payable	2,216	1,126
<b>Total</b>	<b>10,915</b>	<b>26,372</b>

# New South Wales Reconciliation Council

## Notes to the Financial Statements For the year ended 30<sup>th</sup> June 2018

### 10. Tax Liabilities

	2018	2017
	\$	\$
GST liability	(749)	6,446
Amounts withheld from salary and wages	2,150	812
<b>Total</b>	<b>1,401</b>	<b>7,258</b>

### 11. Provisions

	2018	2017
	\$	\$
Aggregate employee entitlements liability	3,373	-
<b>Total</b>	<b>3,373</b>	-

### 12. Payment received in advance

	2018	2017
	\$	\$
NSW State Government Grant	112,651	122,500
Other Grants	-	2,780
<b>Total</b>	<b>112,651</b>	<b>125,280</b>

### 13. Reconciliation of Profit or Loss for the year to net cash from operating activities

	2018	2017
	\$	\$
Surplus/(deficit) after income tax	43,649	20,947
<i>Adjustments to reconcile to cash provided by operations</i>		
Changes and credits		
Depreciation	1,441	764
Changes in working capital items:		
Trade debtors	119,750	-
Inventory	495	(780)
Prepayments	(601)	16
Trade creditors	(16,548)	19,412
Other payables	1,090	(6,468)



# New South Wales Reconciliation Council

## Notes to the Financial Statements For the year ended 30<sup>th</sup> June 2018

Employee entitlements	3,373	(7,585)
Payment received in advance	(12,629)	(9,957)
Income tax and other tax liabilities	(5,857)	(8,571)
<b>Net cash from operating activities</b>	<b>134,163</b>	<b>7,778</b>

### 14. Events Subsequent to Reporting Date

There were no material post balance events which would affect the financial position of New South Wales Reconciliation Council.

### 15. Related Parties

There were no transactions conducted with related parties during the financial year.

# New South Wales Reconciliation Council

## Responsible Entities' Declaration

In the opinion of the Responsible Entities of New South Wales Reconciliation Council:

1. The financial statements and notes to the financial statements of New South Wales Reconciliation Council are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act 2009, including:
  - (a) Giving a true and fair view of its financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
  - (b) Complying with the Australian Accounting Standards outlined in Note 1 to the financial statements and the Australian Charities and Not-for-profits Commission Act 2012, and the Associations Incorporation Act 2009; and
2. At the date of this statement, there are reasonable grounds to believe that New South Wales Reconciliation Council will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Responsible Entities

---

Lindon Coombes  
Responsible Entity

Date:

---

Cecilia Anthony  
Responsible Entity

Date:

# New South Wales Reconciliation Council

## Independent Auditor's Report

### To the members of New South Wales Reconciliation Council

We have audited the accompanying financial report, being a special purpose financial report, of New South Wales Reconciliation Council (the association), which comprises the statement of financial position as at 30<sup>th</sup> June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes to the accounts.

### Board's Responsibility for the Financial Report

The Board of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012, the Associations Incorporation Act 2009 (New South Wales) and are appropriate to meet the needs of the members. The Board's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members.

We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates by the Board, as well as evaluating the overall presentation of the financial report.

# New South Wales Reconciliation Council

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board's financial reporting under the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act 2009 (New South Wales). We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

## Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

## Qualification

As is common for organisations of this type, it is not practical for the association to maintain an effective system of internal control to measure the completeness and accuracy of receipts of subscriptions, cash donations (if any) and other fund raising activities until their initial entry in the accounting records. Accordingly, our audit in relation to income and expenses was limited to amounts recorded.

## Auditor's Opinion

In our opinion, except for the effects on the financial report of any such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed; the financial report of New South Wales Reconciliation Council is in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act 2009 (New South Wales) including:

1. Giving a true and fair view of the association's financial position as at 30<sup>th</sup> June 2018 and of its performance for the year ended on that date: and
2. Complying with Australian Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act 2009 (New South Wales) as disclosed in Note 1.

**Horwood Partners**  
**Simon Chhoeu, FCPA, CA**  
Date:

Sydney