

New South Wales Reconciliation Council

Audited Financial Report

For the year ended 30th June 2019

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New South Wales Reconciliation Council

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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 2019 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 25 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:

Alison Whittaker – Secretary, appointed 13 Dec 2018

Jody Broun - Indigenous Member

Sophie Mouritsen - Non-Indigenous Member

Carol Vale - Indigenous Member

Annie Tennant - Non-Indigenous Member, appointed 13 Dec 2018

New South Wales Reconciliation Council

Responsible Entities' Report (Cont.)

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

Dominic Wy Kanak resigned on 13th December 2018

Rebecca Gallegos resigned on 13th December 2018

Principal activities

New South Wales Reconciliation Council raises awareness and understanding of reconciliation and Indigenous issues, advocates for social justice, equality 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 2019, there was no outstanding membership.

Signed in accordance with a resolution of the Responsible Entities.



Lindon Coombes
Responsible Entity
Date: 04/11/2019



Cecilia Anthony
Responsible Entity
Date:04/11/2019

New South Wales Reconciliation Council

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30th June 2019

	Note	2019 \$	2018 \$
Revenue			
Government Grant		342,560	150,129
Other Grants and Donations		43,175	15,920
Merchandise sales		12,672	1,599
Event admission fees		10,131	21,361
Commission and Consultancy		3,620	4,627
Other income		1,198	-
Interest received		188	142
Total revenue		413,544	193,778
Expenses			
Stock costs		10,230	3,125
Project and Event costs		40,583	31,465
Media and Communications		23,537	4,503
Equipment and IT related expenses		5,797	4,224
Rent		10,795	11,038
Insurance		12,149	12,801
Audit fees		1,200	1,500
Other administration expenses		14,470	1,801
Depreciation		2,003	1,441
Consultant fees, contractors and training	2	11,277	3,225
Employee expenses	3	209,685	75,006
Total expenses		341,726	150,129
Surplus/(deficit) from ordinary activities		71,818	43,649
Other comprehensive income		-	-
Net surplus/(deficit)		71,818	43,649

New South Wales Reconciliation Council

Statement of Financial Position as at 30th June 2019

	Note	2019 \$	2018 \$
Assets			
Current Assets			
Cash and cash equivalents	4	233,152	210,882
Receivables	5	14,226	15,000
Inventory	6	2,335	839
Prepayments	7	3,188	3,652
Total Current Assets		252,901	230,373
Non-Current Assets			
Equipment	8	2,723	4,726
Total Non-Current Assets		2,723	4,726
Total Assets		255,624	235,099
Liabilities			
Current Liabilities			
Payables	9	10,515	10,915
Current tax liabilities	10	9,798	1,401
Provisions	11	9,976	3,373
Payment received in advance	12	46,758	112,651
Total Current Liabilities		77,047	128,340
Total Liabilities		77,047	128,340
Net Assets		178,577	106,759
Accumulated Funds			
Accumulated surplus		178,577	106,759
Accumulated Funds at the end of the year		178,577	106,759

New South Wales Reconciliation Council

Statement of Changes in Equity For the year ended 30th June 2019

	Accumulated Funds
Balance at 01st July 2017	63,110
Surplus/(deficit) after income tax for the year	43,649
Balance at 30th June 2018	106,759
Surplus/(deficit) after income tax for the year	71,818
Balance at 30th June 2019	178,577

New South Wales Reconciliation Council

Statement of Cash Flows For the year ended 30th June 2019

	Note	2019 \$	2018 \$
Cash Flow From Operating Activities			
Cash received from Grants, Donations and other activities		433,392	314,538
Payments to suppliers and employees		(411,310)	(180,517)
Interest received		188	142
Net cash provided by (used in) operating activities	13	<u>22,270</u>	<u>134,163</u>
Cash Flow From Investing Activities			
Payments for office equipment		-	(3,675)
Net cash provided by (used in) investing activities		<u>-</u>	<u>(3,675)</u>
Net increase (decrease) in cash held		22,270	130,488
Cash at the beginning of the year		<u>210,882</u>	<u>80,394</u>
Cash at the end of the year		<u>233,152</u>	<u>210,882</u>

New South Wales Reconciliation Council

Notes to the Financial Statements For the year ended 30th June 2019

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 2019 were approved and authorised for issue by the Board of Responsible Entities on 04 November 2019.

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 2018. 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 2019, unless otherwise stated.

New South Wales Reconciliation Council

Notes to the Financial Statements For the year ended 30th June 2019

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 30th June 2019

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 30th June 2019

- 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.

New South Wales Reconciliation Council

Notes to the Financial Statements For the year ended 30th June 2019

(i) Payment received in advance (deferred income)

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 2020 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

	2019	2018
	\$	\$
Consultant fees & Intern costs	9,841	3,080
Training and Development	1,436	145
Total	11,277	3,225

New South Wales Reconciliation Council

Notes to the Financial Statements For the year ended 30th June 2019

3. Employee expenses

	2019	2018
	\$	\$
Salaries and wages	185,080	65,545
Superannuation	17,484	6,088
Leave entitlements, Allowances & Staff Amenities	7,121	3,373
Total	209,685	75,006

4. Cash and cash equivalents

	2019	2018
	\$	\$
Cash at bank	233,152	210,882
Total	233,152	210,882

5. Receivables

	2019	2018
	\$	\$
Grant Receivable	13,996	-
Donations and others	230	15,000
Total	14,226	15,000

6. Inventory

	2019	2018
	\$	\$
Merchandise	2,335	839
Total	2,335	839

New South Wales Reconciliation Council

Notes to the Financial Statements For the year ended 30th June 2019

7. Prepayments

	2019	2018
	\$	\$
Worker compensation insurance	1,232	817
Public Liability insurance	1,956	1,968
Other paid expenses	-	867
Total	3,188	3,652

8. Equipment

	2019	2018
	\$	\$
Office furniture		
- At cost	81	81
- Less: Accumulated depreciation	(81)	(81)
	-	-
Computers and Laptops		
- At cost	7,387	7,387
- Less: Accumulated depreciation	(4,664)	(2,661)
	2,723	4,726
Total	2,723	4,726

9. Payables

	2019	2018
	\$	\$
Payable to suppliers	3,388	8,699
Superannuation payable	7,127	2,216
Total	10,515	10,915

10. Tax Liabilities

	2019	2018
	\$	\$
GST liability	6,606	(749)

New South Wales Reconciliation Council

Notes to the Financial Statements For the year ended 30th June 2019

Amounts withheld from salary and wages	3,192	2,150
Total	9,798	1,401

11. Provisions

	2019	2018
	\$	\$
Aggregate employee entitlements liability	9,976	3,373
Total	9,976	3,373

12. Payment received in advance

	2019	2018
	\$	\$
NSW State Government Grant	25,091	112,651
Other Grants	21,667	-
Total	46,758	112,651

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

	2019	2018
	\$	\$
Surplus/(deficit) after income tax	71,818	43,649
<i>Adjustments to reconcile to cash provided by operations</i>		
Changes and credits		
Depreciation	2,003	1,441
Changes in working capital items:		
Trade debtors	774	119,750
Inventory	(1,496)	495
Prepayments	464	(601)
Trade creditors	(5,311)	(16,548)
Other payables	4,911	1,090
Employee entitlements	6,603	3,373
Payment received in advance	(65,893)	(12,629)
Income tax and other tax liabilities	8,397	(5,857)
Net cash from operating activities	22,270	134,163

New South Wales Reconciliation Council

Notes to the Financial Statements For the year ended 30th June 2019

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 2019 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: 04/11/2019



Cecilia Anthony
Responsible Entity
Date:04/11/2019

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 30th June 2019, 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

Independent Auditor's Report (Cont.)

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 30th June 2019 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: 04/11/2019