

New South Wales Reconciliation Council

Financial Report

For the year ended 30th June 2020

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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 2020 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:

Tristan Tipps-Webster – Secretary, appointed on 11th Dec ember 2019

Alison Whittaker – Indigenous Member

Jody Broun - Indigenous Member

Annie Tennant - Non-Indigenous Member

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Responsible Entities' Report (Cont.)

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

Sophie Mouritsen resigned on 11th December 2019

Carol Vale resigned on 11th December 2019

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 2020, there was no outstanding membership.

Signed in accordance with a resolution of the Responsible Entities.



Lindon Coombes
Responsible Entity
Date: 11/11/2020



Cecilia Anthony
Responsible Entity
Date: 11/11/2020

New South Wales Reconciliation Council

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30th June 2020

	Note	2020 \$	2019 \$
Revenue			
NSW Government Grant		147,591	342,560
Other Grants and Donations		82,340	43,175
Merchandise sales		12,934	12,672
Event admission fees		-	10,131
Commission and Consultancy		645	3,620
Government subsidies received - COVID 19		38,854	-
Membership		2,455	-
Other income		1,391	1,198
Interest received		196	188
Total revenue		286,406	413,544
Expenses			
Stock costs		9,617	10,230
Project and Event costs		30,312	40,583
Media and Communications		27,943	23,537
Equipment and IT related expenses		5,977	5,797
Insurance		12,460	12,149
Audit fees		1,200	1,200
Consultant fees, contractors and training	2	18,813	11,277
Employee expenses	3	226,395	209,685
Depreciation		15,088	2,003
Other administration expenses		7,120	25,265
Interest expense	9.2	1,635	-
Total expenses		356,560	341,726
Surplus/(deficit) from ordinary activities		(70,154)	71,818
Other comprehensive income		-	-
Net surplus/(deficit)		(70,154)	71,818

New South Wales Reconciliation Council

Statement of Financial Position as at 30th June 2020

	Note	2020 \$	2019 \$
Assets			
Current Assets			
Cash and cash equivalents	4	143,856	233,152
Receivables	5	-	14,226
Inventory	6	2,684	2,335
Prepayments	7	3,377	3,188
Total Current Assets		149,917	252,901
Non-Current Assets			
Equipment	8	997	2,723
Right of use assets	9.3	35,631	-
Total Non-Current Assets		36,628	2,723
Total Assets		186,545	255,624
Liabilities			
Current Liabilities			
Payables	10	34,359	10,515
Current tax liabilities	11	6,972	9,798
Provisions	12	-	9,976
Payment received in advance	13	-	46,758
Lease liabilities	9.1	17,558	-
Total Current Liabilities		58,889	77,047
Non-Current Liabilities			
Lease liabilities	9.1	19,233	-
Total Non-Current Liabilities		19,233	-
Total Liabilities		78,122	77,047
Net Assets		108,423	178,577
Accumulated Funds			
Accumulated surplus		108,423	178,577
Accumulated Funds at the end of the year		108,423	178,577

New South Wales Reconciliation Council

Statement of Changes in Equity For the year ended 30th June 2020

	Accumulated Funds
	\$
Balance at 01st July 2018	106,759
Surplus/(deficit) after income tax for the year	71,818
Balance at 30th June 2019	178,577
Surplus/(deficit) after income tax for the year	(70,154)
Balance at 30th June 2020	108,423

New South Wales Reconciliation Council

Statement of Cash Flows For the year ended 30th June 2020

	Note	2020 \$	2019 \$
Cash Flow From Operating Activities			
Cash received from Grants, Donations and other activities		328,200	433,392
Payments to suppliers and employees		(405,491)	(411,310)
Interest received		196	188
Net cash provided by (used in) operating activities	14	<u>(77,095)</u>	<u>22,270</u>
Cash Flows From Financing Activities			
Lease payments		<u>(12,201)</u>	-
Net cash provided by (used in) financing activities		<u>(12,201)</u>	-
Net increase (decrease) in cash held		(89,296)	22,270
Cash at the beginning of the year		<u>233,152</u>	<u>210,882</u>
Cash at the end of the year		<u>143,856</u>	<u>233,152</u>

New South Wales Reconciliation Council

Notes to the Financial Statements For the year ended 30th June 2020

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 association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 other authoritative pronouncements of the Australian Accounting Standards Board, and the Australian Charities and Not-for-profits Commission Act 2012. The accounting policies have been consistently applied, unless otherwise stated.

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 Going concern

The COVID-19 pandemic has developed rapidly in 2020. The outbreak of this virus has been not only a public health issue but also having adverse impacts on the Australian and global economy. Measures taken by different governments to contain the virus have negatively affected the business operations. These indicate a high level of uncertainty that may cast significant doubt upon the association's ability to continue as a going concern and, therefore, whether it will be able to realise its assets and discharge its liabilities in the normal course of business.

The members of the management committee have considered the potential impact that the COVID-19 pandemic may have on the operations of the association. The members of the management committee are of the view that the association has the ability to continue as a going concern based on the following:

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Notes to the Financial Statements For the year ended 30th June 2020

- The introduction of a work safe environment including working from home when possible, using protective masks and sanitizer, maintaining social distancing; and changes to programs where necessary to deliver via online formats.
- Extension of deliverable time frames to the current 'Narragunnawali: Reconciliation in Education' program, when necessary.
- Receiving continued support from Aboriginal Affairs NSW.
- More detailed cash flow forecasting extending 12 months from the end of the reported period has been undertaken to ensure cash flows are maintained at levels required to meet liabilities.

Whilst forecasting the future is currently uncertain, the members of the management committee have an expectation that business operations will continue to be at a level so that the association can operate effectively. If unexpected significant market events were to materially affect the operations of the association, the members of the management committee are confident that the association could take actions to limit exposures and liabilities, and continue to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. Accordingly, the financial statements have been prepared on the basis that the association is a going concern. No adjustments have been made to the financial report relating to the recoverability or classification of recorded assets and classification of liabilities that maybe necessary should the association not continue as a going concern.

1.3 New and amended accounting policies adopted by the association

(a) AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* replaces AASB 118 *Revenue* and is mandatorily applicable to annual reporting periods beginning 1 January 2019. The effects of AASB 15 have been assessed and no adjustments have been made.

(b) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 *Income of Not-for-Profit Entities* replaces AASB 1004 *Contributions* and is mandatorily applicable to annual reporting periods beginning 1 January 2019. The effects of AASB 1058 have been assessed and no adjustments have been made.

(c) AASB 16 Leases

AASB 16 *Leases* will replace existing accounting requirements under AASB 117 *Leases* and related interpretations. AASB 16 eliminates the classification between operating and finance leases and introduces a single lessee accounting model. The adoption of this new Standard has resulted in the association recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. The lease liability represents the present value of future

New South Wales Reconciliation Council

Notes to the Financial Statements For the year ended 30th June 2020

lease payments. There will be a separate recognition of the depreciation charge on the right-of-use asset and the interest expense on the lease liability. This will result in the recognition of a front-loaded pattern of expense for most leases, even when constant annual rentals are paid.

The new Standard has been applied using the modified retrospective approach, and therefore the comparative information for the year ended 30 June 2019 has not been restated. For contracts in place at the date of initial application, the association has elected to apply the definition of a lease from AASB 117 – Leases and Interpretation 4 - Determining whether an Arrangement contains a Lease. The association has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 July 2019. At this date, the association has also elected to measure the right-of-use assets as if AASB 16 had been applied from lease commencement, and outstanding liability for existing operating leases is calculated using incremental borrowing rate at date of transition. On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the association has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term. For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under AASB 117 immediately before the date of initial application.

Effect of adopting AASB 16 at 1 July 2019

There is no impact on the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows because:

- The association elected to adopt the modified retrospective approach when transitioning to AASB 16.
- There was no operating lease a remaining lease term of more than 12 months at 01 July 2019.

1.4 Significant accounting policies

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report.

(a) Revenue

Revenue comprises revenue from grants, donations, fundraising activities, membership fees, interest, sale of goods, commissions and consultancy. The association recognises revenue as follows:

Grants

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

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Notes to the Financial Statements For the year ended 30th June 2020

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.

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 a liability is recognised 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.

Revenue from contracts with customers and sale of goods

Revenue is recognised at an amount that reflects the consideration to which the association is expected to be entitled in exchange for transferring goods or services to a customer. The association recognises revenue in a manner that depicts the transfer to the customer of the goods or services promised.

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.

New South Wales Reconciliation Council

Notes to the Financial Statements For the year ended 30th June 2020

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:

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

(d) Leases

Prior year

In the prior period, leases were accounted for as operating leases under AASB 117 Leases. Lease payments were recognised as expense on a straight-line basis over the lease term.

Current year

The association assesses at the start of a contract whether or not it contains a lease, by deciding if the contract provides the right to control the use of an identified asset for a period of time in exchange for consideration. The association currently uses a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The association recognises lease liabilities to make lease payments and right-of-use assets representing the right to use underlying assets.

Right-of-use assets

The association recognises right-of-use assets at the start of the lease which are measured at costs, less accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use asset are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

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Notes to the Financial Statements For the year ended 30th June 2020

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the association and payments of penalties for terminating the lease, if the lease term reflects the association exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised in the income statement in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the association uses its incremental borrowing rate at the lease commencement date or an estimated rate (where no incremental borrowing rate is available) because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The association applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(e) 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.

(f) 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.

(g) 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.

New South Wales Reconciliation Council

Notes to the Financial Statements For the year ended 30th June 2020

(h) 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.

(i) 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.

(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 financial year ended 30 June 2021.

(l) Comparative figures

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

New South Wales Reconciliation Council

Notes to the Financial Statements For the year ended 30th June 2020

1.5 Critical 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.

2. Consultant fees, contractors and training expenses

	2020	2019
	\$	\$
Consultant fees & Intern costs	17,999	9,841
Training and Development	814	1,436
Total	18,813	11,277

3. Employee expenses

	2020	2019
	\$	\$
Salaries and wages	216,046	185,080
Superannuation	19,430	17,484
Leave entitlements, Allowances & Staff Amenities	(9,081)	7,121
Total	226,395	209,685

4. Cash and cash equivalents

	2020	2019
	\$	\$
Cash at bank	143,856	233,152
Total	143,856	233,152

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Notes to the Financial Statements For the year ended 30th June 2020

5. Receivables

	2020	2019
	\$	\$
Grant Receivable	-	13,996
Donations and others	-	230
Total	-	14,226

6. Inventory

	2020	2019
	\$	\$
Merchandise	2,684	2,335
Total	2,684	2,335

7. Prepayments

	2020	2019
	\$	\$
Worker compensation insurance	1,454	1,232
Public Liability insurance	1,923	1,956
Total	3,377	3,188

8. Equipment

	2020	2019
	\$	\$
Office furniture		
- At cost	81	81
- Less: Accumulated depreciation	(81)	(81)
	-	-
Computers and Laptops		
- At cost	7,387	7,387
- Less: Accumulated depreciation	(6,390)	(4,664)
	997	2,723
Total	997	2,723

New South Wales Reconciliation Council

Notes to the Financial Statements For the year ended 30th June 2020

9. Leases

At 01 October 2019, the association has recognised right-of-use assets of \$48,992 and lease liabilities of \$48,992 over a period of 33 months. The weighted average lessee's incremental borrowing rate applied to lease liabilities at 01 October 2019 was 5%.

Any discount on lease payment due to the impact of COVID-19 was recognised in the income statement as a variable lease payment.

Effect of AASB 16 on the year ended 30 June 2020

9.1 Lease liabilities

	\$
Operating lease commitments at 01 October 2019 financial statements	52,600
Discounted using the incremental borrowing rate at 01 October 2019	(3,608)
Lease liabilities recognised at 01 October 2019	48,992
Less: Payment made towards lease liability as at 30 June 2020	(12,201)
Lease Liability as at 30 June 2020	36,791

	2020	2019
	\$	\$
Current	17,558	-
Non-current	19,233	-
Total lease liabilities	36,791	-

9.2 Interest

	2020	2019
	\$	\$
Interest - rental lease	1,635	-
Total	1,635	-

9.3 Right-of-Use Assets

	\$
As at 30 June 2019	-
Amount recognised during the year	48,992
Less: Accumulated depreciation	(13,361)
Balance as at 30 June 2020	35,631

New South Wales Reconciliation Council

Notes to the Financial Statements For the year ended 30th June 2020

10. Payables

	2020	2019
	\$	\$
Payable to suppliers and accrued expenses	27,800	3,388
Superannuation payable	6,559	7,127
Total	34,359	10,515

11. Tax Liabilities

	2020	2019
	\$	\$
GST payable (refundable)	(728)	6,606
Amounts withheld from salary and wages	7,700	3,192
Total	6,972	9,798

12. Provisions

	2020	2019
	\$	\$
Aggregate employee entitlements liability	-	9,976
Total	-	9,976

13. Payment received in advance

	2020	2019
	\$	\$
NSW State Government Grant	-	25,091
Other Grants	-	21,667
Total	-	46,758

New South Wales Reconciliation Council

Notes to the Financial Statements For the year ended 30th June 2020

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

	2020	2019
	\$	\$
Surplus/(deficit) after income tax	(70,154)	71,818
<i>Adjustments to reconcile to cash provided by operations</i>		
Changes and credits		
Depreciation	15,088	2,003
<i>Changes in working capital items:</i>		
Trade debtors	14,226	774
Inventory	(349)	(1,496)
Prepayments	(189)	464
Trade creditors	24,412	(5,311)
Other payables	(569)	4,911
Employee entitlements	(9,976)	6,603
Payment received in advance	(46,758)	(65,893)
Income tax and other tax liabilities	(2,826)	8,397
Net cash from operating activities	(77,095)	22,270

15. Events Subsequent to Reporting Date

The COVID-19 outbreak and related impacts are considered as non-adjusting events, and consequently, there is no impact on the recognition and measurement of assets and liabilities. There were no other material post balance events which would affect the financial position of the association

16. 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 2020 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: 11/11/2020



Cecilia Anthony
Responsible Entity
Date: 11/11/2020

New South Wales Reconciliation Council

Independent Auditor's Report

To the members of New South Wales Reconciliation Council Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of New South Wales Reconciliation Council (the registered entity), which comprises the statement of financial position as at 30th June 2020, 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.

In our opinion the financial report of New South Wales Reconciliation Council has been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 including:

1. Giving a true and fair view of the association's financial position as at 30th June 2020 and of its performance for the year ended on that date: and
2. Complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012.

Basis for opinion

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 association in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 (the ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia; and we have 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 opinion.

Emphasis of matters

Material uncertainty related to Going Concern

We draw attention to Note 1.2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the

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association's ability to continue as a going concern and therefore the association may be unable to realise its assets and discharge its liabilities in the normal course of business. Responsible entities have also described how they plan to deal with these events and circumstances. Our opinion is not modified in respect of this matter.

Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

Auditor's responsibilities 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 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:

- 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

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error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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.



Horwood Partners

Simon Chhoeu, FCPA, CA

Date: 11/11/2020