LOWRYS
Accountants

SWJR Nominees Pty Ltd
ABN 49 078 887 171
Cnr Coonawarra & Hook Roads
PO Box 36394, Winnellie NT 0821
Tel: 08 8947 2200
Fax: 08 8947 1146
lowrys.accountants@lowrys.com.au

KALUMBURU ABORIGINAL CORPORATION and its CONTROLLED ENTITIES

ABN: 21 321 166 523

ICN: 113

GENERAL PURPOSE FINANCIAL REPORT

For the Year Ended 30 June 2022

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GENERAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

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The Directors
Kalumburu Aboriginal Corporation and its Controlled Entities
PMB 10
via Wyndham WA 6740

Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

LOWRYS ACCOUNTANTS

Colin James, FCA
Registered Company Auditor

Date: 18 November 2022
Darwin

DIRECTORS' DECLARATION

The Directors of Kalumburu Aboriginal Corporation and its Controlled Entities (the Consolidated Group) declare that:

1. The financial statements and notes, as set out on pages 3-29, are in accordance with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and the *Australian Charities and Not-for-profits Commission Act 2012* and:

    a. comply with Australian Accounting Standards; and

    b. give a true and fair view of the financial position of the Consolidated Group as at 30 June 2022 and of its performance for the year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the Consolidated Group will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Directors.

Director
Date: ~~18 November 2022~~

DAVID HUDSON
12th MAY 2023

Matthew Waina

Director
Date: ~~18 November 2022~~

MATTHEW WAINA
12TH MAY 2023.

Madeline Gallagher-Dann

CEO - Kalumburu Aboriginal Corporation
corporate@kalumburu.org / 08 9161 4300

12.5.2023.

KALUMBURU ABORIGINAL CORPORATION and its CONTROLLED ENTITIES
ABN: 21 321 166 523

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

		Consolidated		Parent	
	Note	2022 $	2021 $	2022 $	2021 $
Income					
Sale of goods	2A	3,238,826	3,211,437	-	-
Cost of goods sold	3A	2,387,232	2,365,417	-	-
Gross Profit		851,594	846,020	-	-
Revenue from grants	2B	970,739	1,226,750	970,739	1,207,572
Interest	2C	148	255	148	255
Other revenue	2D	568,574	598,597	531,810	393,451
Total Other Revenue		1,539,461	1,825,602	1,502,697	1,601,278
Total Contribution		2,391,055	2,671,622	1,502,697	1,601,278
Expenses					
Employee benefits expense	3B	1,161,542	975,971	953,757	751,447
Depreciation and amortisation	3C	328,738	335,479	281,916	276,601
Loss on disposal of property, plant and equipment	3D	2,169	-	-	-
Finance costs (lease)	10	-	10,318	-	-
Other expenses	3F	1,329,949	1,207,582	783,572	544,970
Total Expenses		2,822,398	2,529,350	2,019,245	1,573,018
(Deficit)/surplus from operations		(431,343)	142,272	(516,548)	28,260
Other Comprehensive Income/(Loss)					
Transfer from/(to) unexpended grants reserve		67,925	(42,828)	67,925	(42,828)
Total comprehensive (loss)/income for the year		(363,418)	99,444	(448,623)	(14,568)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		$	$	$	$
ASSETS					
Current assets					
Cash and cash equivalents	4	869,108	1,223,528	622,224	1,012,316
Trade and other receivables	5	173,992	161,138	77,242	76,768
Inventories	6	339,591	322,285	-	-
Other current assets	7	175,673	125,608	170,231	125,474
Total current assets		1,558,364	1,832,559	869,697	1,214,558
Non-current assets					
Property, plant and equipment	8	1,538,915	1,743,064	1,199,400	1,360,984
Investments	9	-	-	10	10
Right-of-Use assets	10	-	244,466	-	-
Total non-current assets		1,538,915	1,987,530	1,199,410	1,360,994
Total Assets		3,097,279	3,820,089	2,069,107	2,575,552
LIABILITIES					
Current liabilities					
Trade and other payables	11	364,749	535,510	168,407	161,732
Contract liabilities	12	118,190	-	-	-
Borrowings	13	128,168	139,415	243,174	257,998
Lease liabilities	14	-	6,033	-	-
Provisions	15	22,834	4,582	22,834	4,582
Total current liabilities		633,941	685,540	434,415	424,312
Non-current liabilities					
Lease liabilities	14	-	242,012	-	-
Provisions	15	2,773	629	-	-
Total non-current liabilities		2,773	242,641	-	-
Total Liabilities		636,714	928,181	434,415	424,312
Net Assets		2,460,565	2,891,908	1,634,692	2,151,240
ACCUMULATED FUNDS					
Retained earnings		2,460,455	2,823,873	1,634,582	2,083,205
Reserves		110	68,035	110	68,035
Total Accumulated Funds		2,460,565	2,891,908	1,634,692	2,151,240

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

KALUMBURU ABORIGINAL CORPORATION and its CONTROLLED ENTITIES

ABN: 21 321 166 523

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Retained Earnings	Consolidated Unexpended Grants Reserve	Total Equity	Retained Earnings	Parent Unexpended Grants Reserve	Total Equity
Accumulated Funds	$		$	$		$
Balance at 1 July 2020	2,724,429	25,207	2,749,636	2,097,773	25,207	2,122,980
Surplus for the year	142,272	-	142,272	28,260	-	28,260
Other comprehensive loss for the year:						
-Transfer to unexpended grant reserve	(42,828)	42,828	-	(42,828)	42,828	-
Closing Balance at 30 June 2021	**2,823,873**	**68,035**	**2,891,908**	**2,083,205**	**68,035**	**2,151,240**
Balance at 1 July 2021	2,823,873	68,035	2,891,908	2,083,205	68,035	2,151,240
Deficit for the year	(431,343)	-	(431,343)	(516,548)	-	(516,548)
Other comprehensive loss for the year:						
-Transfer from unexpended grant reserve	67,925	(67,925)	-	67,925	(67,925)	-
Closing Balance at 30 June 2022	**2,460,455**	**110**	**2,460,565**	**1,634,582**	**110**	**1,634,692**

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

		Consolidated		Parent	
	Note	2022	2021	2022	2021
		$	$	$	$
Cash flows (used in)/from operating activities					
Receipts from customers		3,794,546	3,755,507	531,336	397,992
Grants and contributions received		1,088,929	1,201,425	970,739	1,182,247
Interest received		148	255	148	255
Payments to suppliers and employees		(5,096,459)	(4,513,724)	(1,757,159)	(1,363,808)
Net cash flows (used in)/from operating activities	**17**	(212,836)	443,463	(254,936)	216,686
Cash flows used in investing activities					
Acquisition of property, plant and equipment		(126,758)	(125,544)	(120,332)	(31,494)
Net cash flows used in investing activities		(126,758)	(125,544)	(120,332)	(31,494)
Cash flows (used in)/from financing activities					
Loan proceeds		-	139,415	-	257,998
Loan repayments		(14,826)	-	(14,824)	-
Lease repayments		-	(6,936)	-	(4,352)
Net cash flows (used in)/from financing activities		(14,826)	132,479	(14,824)	253,646
Net (decrease)/increase in cash and cash equivalents		(354,420)	450,398	(390,092)	438,838
Cash and cash equivalents at the beginning of the year		1,223,528	773,130	1,012,316	573,478
Cash and cash equivalents at the end of the year	**4**	869,108	1,223,528	622,224	1,012,316

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

The consolidated financial statements and notes represent those of Kalumburu Aboriginal Corporation and its Controlled Entities ("the Consolidated Group"). Kalumburu Aboriginal Corporation is an Aboriginal Corporation incorporated under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and the *Australian Charities and Not-for-profits Commission Act 2012* (the Acts), domiciled in Australia.

Principal place of business

Kalumburu Aboriginal Corporation
72 Kalumburu Boulevard
Kalumburu WA 6740

Registered Office

Kalumburu Aboriginal Corporation
72 Kalumburu Boulevard
Kalumburu WA 6740

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are required by the *Acts* and are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board (AASB), the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and the *Australian Charities and Not-for-profits Commission Act 2012.* The Consolidated Group is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Principles of consolidation

The general purpose consolidated financial statements are those of the consolidated group, comprising the financial statements of the parent entity and all of the entities which Kalumburu Aboriginal Corporation has the power to control the financial and operating policies so as to obtain benefits from its activities.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring in line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits and losses have been eliminated on consolidation. Subsidiaries are fully consolidated from the date on which control is transferred to the Corporation. They are de-consolidated from the date that control ceases.

Note 1: Summary of Significant Accounting Policies (continued)

Accounting Policies

(a) Revenue

Operating Grants, Donations and Bequests

When the Consolidated Group receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Consolidated Group:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific perofrmance obligations, the Consolidated Group:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Consolidated Group recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant

When the Consolidated Group receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Consolidated Group recognises income in profit or loss when or as the Consolidated Group satisfies its obligations under terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

Note 1: Summary of Significant Accounting Policies (continued)

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Buildings and improvements

Buildings are shown at cost, less subsequent accumulated depreciation and any accumulated impairment losses.

Motor Vehicles, Plant and Equipment

Motor vehicles and plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of motor vehicles is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present. Refer to Note 1(e) for details of impairment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings, plant and equipment and motor vehicles but excluding freehold land, is depreciated on a diminishing value method basis over the asset's useful life to the Consolidated Group commencing from the time the asset is available for use.

The depreciation rates used for each class of depreciable assets are:

Class	Rate
Buildings and improvements	10%
Plant and equipment	10-25%
Furniture and fittings	5% - 20%
IT equipment	7.5% - 50%
Motor vehicles	25%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Note 1: Summary of Significant Accounting Policies (continued)

(b) Property, Plant and Equipment (continued)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(c) Leases

The Consolidated Group as lessee

At inception of a contract, the Consolidated Group assesses if the contract is, or contains, a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Consolidated Group where the Consolidated Group is a lessee. However all contracts that are classified as short-term leases (lease with remaing lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Consolidated Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- lease payments under extension options of lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any intiial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Consolidated Group aniticipates to excercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Consolidated Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Consolidated Group commits itself to either purchase or sell the asset.

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit and loss' in which case transaction costs are recognised as expenses in profit or loss immediately.

Note 1: Summary of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AAST 15: *Revenue from Contracts with Customers.*

Classification and subsequent measurement

Financial Liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designed as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

A financial liability cannot be reclassified.

Financial Assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Note 1: Summary of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Consolidated Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (ie has no practical ability to make unilateral decision to sell the asset to a third party).

Note 1: Summary of Significant Accounting Policies (Continued)

(d) Financial Instruments (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Consolidated Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income; and
- lease receivables.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Consolidated Group uses the simplified approach to impairment, as applicable under AASB 9.

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to trade receivables and lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Consolidated Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to the asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

(e) Impairment of Non-financial Assets

At the end of each reporting period, the Consolidated Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Note 1: Summary of Significant Accounting Policies (Continued)

(e) Impairment of Non-financial Assets (continued)

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(f) Employee Provisions

Short-term employee provisions

Provision is made for the Consolidated Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short-term employee benefits are measured at the nominal amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Consolidated Group's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Consolidated Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(g) Cash and Cash Equivalent

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position. The Consolidated Group did not have an overdraft during the year.

(h) Trade and Other Receivables

Trade and other receivables include amounts due from members as well as amounts receivable from clients for accomodation and food provided in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) for further discussion of impairment of financial assets.

(i) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Note 1: Summary of Significant Accounting Policies (Continued)

(i) Goods and Services Tax (continued)

Cash flows are included in the cash flow statement on a net basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(j) Income Tax

Kalumbaru Aboriginal Corporation is a public benevolent institution and is endorsed by the Australian Taxation Office to access income tax exemption under Subdivision 50-A of the Income Tax Assessment Act 1997.

(k) Fringe Benefits Tax

Kalumburu Aboriginal Corporation, as a Public Benevolent Institution, is also endorsed by the Australian Taxation Office to access the FBT exemption.

(l) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

(m) Provisions

Provisions are recognised when the Consolidated Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(n) Trade and Other Payables

These amounts represent the liability outstanding at the end of the reporting period for goods and services received by the Consolidated Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Due to their short-term nature, they are usually measured at amortised cost and are not discounted.

(o) Comparative Figures

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

When the Consolidated Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding comparative period, in addition to the minimum comparative financial statements, must be disclosed.

(p) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Note 1: Summary of Significant Accounting Policies (Continued)

(p) Critical Accounting Estimates and Judgements (continued)

Key estimates

Estimation of useful lives of assets

The Consolidated Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. Refer to Note 8 for the carrying value of property, plant and equipment.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, and incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. The rate is based on what the Corporation estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the lease asset, with similar terms, security and economic environment.

Impairment

Impairment of property, plant and equipment

The Consolidated Group assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the Consolidated Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions. The provision for impairment of property, plant and equipment at 30 June 2022 is $Nil (2021: $Nil).

Impairment of trade receivable

The provision for impairment of receivable assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent ssales experience, the ageing of receivables, historical collection rates and specific knowledge of individual debtors' financial position. Provision for impairment of receivables at 30 June 2022 amounted to $31,317 (2021: $56,286).

Key judgements

Employee benefits

For the purpose of measurement, AASB 119: Employee benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The Consolidated Group expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

(q) Economic Dependancy

The continued operation of the Kalumburu Aboriginal Corporation is dependent on funding from the Commonwealth and Western Australian Governments. At the date of this report, the Board of Directors has no reason to believe the support will not continue.

Note 1: Summary of Significant Accounting Policies (Continued)

(r) New and Amended Accounting Policies Adopted

Initial adoption of AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-profit Tier 2 Entities

The Consolidated Group has adopted AASB 1060: *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-profit Tier 2 Entities* for the first time this reporting period. The Standard, which sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053: *Application of Tiers of Australian Accounting*, replaces the previous Reduced Disclosure Requirements (RDR) framework. The application of this standard has resulted in reductions in disclosures compared to RDR in Revenue, Leases and Financial Instruments; however has resulted in new and/or increased disclosures in areas such as Audit Fees and Related Parties.

		Consolidated		Parent	
		2022	2021	2022	2021
		$	$	$	$
Note 2:	**Revenue and Other Income**				
Note 2A	**Sale of goods**				
	Sale of goods	3,238,826	3,211,437	-	-
Note 2B	**Revenue from grants**				
	Grants from government:	970,739	1,226,750	970,739	1,207,572
Note 2C	**Interest**				
	Financial institutions	148	255	148	255
Note 2D	**Other revenue**				
	Activity generated income	117,576	88,925	210,643	159,769
	Rental income	286,784	364,645	204,555	214,645
	Other	164,214	145,027	116,612	19,037
	Total other revenue	568,574	598,597	531,810	393,451
Note 3:	**Expenses**				
Note 3A	**Cost of goods sold**				
	Opening stock	322,285	369,675	-	-
	Purchases and direct costs	2,404,538	2,318,027	-	-
	Closing stock	(339,591)	(322,285)	-	-
	Total cost of goods sold	2,387,232	2,365,417	-	-
Note 3B	**Employee benefits expense**				
	Salaries and wages	1,032,378	913,979	845,479	706,830
	Superannuation	99,782	79,701	83,907	62,041
	Leave and other entitlements	20,396	(42,324)	18,252	(36,383)
	Other	8,986	24,615	6,119	18,959
	Total employee benefits expense	1,161,542	975,971	953,757	751,447
Note 3C	**Depreciation and amortisation**				
	Property, plant and equipment				
	Buildings	239,841	239,229	239,841	239,229
	Leasehold improvements	10,915	10,596	-	-
	Plant and equipment	22,880	19,449	11,730	12,145
	Motor vehicles	42,092	50,528	30,345	25,227
	Furniture and fittings	4,415	3,536	-	-
	IT equipment	8,595	5,978	-	-
		328,738	329,316	281,916	276,601
	Leased assets				
	Property	-	6,163	-	-
	Total depreciation and amortisation	**328,738**	**335,479**	**281,916**	**276,601**

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$

Note 3: Expenses (continued)

Note 3D Loss on disposal of property, plant and equipment

	2022	2021	2022	2021
Motor vehicles				
Written down value	2,169	-	-	-
Proceeds received	-	-	-	-
Net loss on disposal of property, plant and equipment	2,169	-	-	-

Note 3F Other expenses

	2022	2021	2022	2021
Accountancy fees	93,500	76,000	92,500	75,000
Audit fees	13,750	11,750	9,500	7,500
Bad and doubtful debts	945	11,119	-	10,819
Bank fees	10,168	11,431	626	770
Cleaning and pest control	6,205	3,441	3,004	2,506
Contractors and consultancy fees	5,507	27,834	4,800	24,360
Donations and sponsorships	5,000	700	5,000	-
Electricity, gas and water	128,963	175,786	22,152	31,323
Equipment, minor	32,529	8,044	30,672	7,342
Freight	12,866	8,723	12,866	8,723
Information technology expenses	26,845	51,265	10,699	16,945
Insurance expense	150,282	126,322	140,774	116,447
Interest paid	6,744	9,857	6,744	9,857
Lease expenses	-	19,761	-	-
Licence fees and permits	4,194	3,235	4,194	2,440
Management fees	325,246	314,100	-	-
Meeting expenses	1,216	186	1,216	-
Motor vehicle expenses	95,828	97,750	43,222	38,843
Printing, postage and stationery	8,874	9,010	4,852	4,193
Program expenditure	140,423	86,127	221,530	86,127
Rent	187	35,187	187	-
Repairs and maintenance	120,003	74,184	63,872	74,184
Telephone	8,967	7,905	5,027	4,423
Travel and accomodation	105,365	29,255	93,505	19,545
Other expenses	26,342	8,610	6,630	3,623
Total other expenses	1,329,949	1,207,582	783,572	544,970

Note 4: Cash and Cash Equivalents

	2022	2021	2022	2021
Cash on hand	53,557	18,908	-	-
Cash at bank	815,551	1,204,620	622,224	1,012,316
Total cash and cash equivalents	869,108	1,223,528	622,224	1,012,316

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $

Note 5: Trade and Other Receivables

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Trade receivables	86,773	158,042	65,323	106,191
Allowance for impairment of trade receivables	(31,317)	(56,286)	(31,317)	(56,286)
Total trade receivables	55,456	101,756	34,006	49,905
GST receivable	-	5,355	-	-
Other receivables	118,536	54,027	43,236	26,863
Total accounts receivable and other debtors	173,992	161,138	77,242	76,768

Impairment of receivables

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

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Opening balance at 1 July	56,286	45,767	56,286	45,767
Amounts provided during the period	-	10,519	-	10,519
Amounts written off against the provision	(24,969)	-	(24,969)	-
Closing balance at 30 June	31,317	56,286	31,317	56,286

a. Financial assets at amortised cost classified as accounts receivable and other debtors

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Accounts receivable and other debtors:				
- total current	173,992	161,138	77,242	76,768
- total non current	-	-	-	-
	173,992	161,138	77,242	76,768
Less GST receivable	-	(5,355)	-	-
Financial assets as accounts receivable and other debtors	173,992	155,783	77,242	76,768

The Consolidated Group does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

No collateral has been pledged for any of the current or non-current trade and other receivable balances.

Note 6: Inventories

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Merchandise	339,591	322,285	-	-

Inventories are purchased goods that are used for trading in community stores and are expected to be recovered within twelve months.

Note 7: Other Current Assets

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Prepayments	175,673	125,608	170,231	125,474
	175,673	125,608	170,231	125,474

Note 8: Property, Plant and Equipment

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Buildings and improvements, at cost	7,472,768	7,439,496	7,472,768	7,439,496
Accumulated depreciation	(6,363,913)	(6,124,072)	(6,363,913)	(6,124,072)
	1,108,855	1,315,424	1,108,855	1,315,424
Leasehold improvements, at cost	388,710	395,132	-	-
Accumulated depreciation	(122,556)	(115,986)	-	-
	266,154	279,146	-	-
Plant and equipment, at cost	304,690	644,423	72,988	384,551
Accumulated depreciation	(221,693)	(568,717)	(26,158)	(354,824)
	82,997	75,706	46,830	29,727
Motor vehicles, at cost	301,404	308,755	159,135	140,510
Accumulated depreciation	(248,516)	(272,002)	(115,420)	(124,677)
	52,888	36,753	43,715	15,833
Furniture, fixtures and fittings, at cost	43,804	45,527	-	-
Accumulated depreciation	(29,801)	(27,109)	-	-
	14,003	18,418	-	-
IT equipment, at cost	42,759	41,675	-	-
Accumulated depreciation	(28,741)	(24,058)	-	-
	14,018	17,617	-	-
Total property, plant and equipment	1,538,915	1,743,064	1,199,400	1,360,984

Note 8: Property, Plant and Equipment (continued)

Consolidated	Bulidings and improvements at cost $	Leasehold improvements at cost $	Plant and equipment at cost $	Motor Vehicles at cost $	Furniture and fixtures at cost $	IT equipment at cost $	Total $
Net book value							
1 July 2021	1,315,424	279,146	75,706	36,753	18,418	17,617	1,743,064
Additions	33,272	-	30,263	58,227	-	4,996	126,758
Depreciation	(239,841)	(10,915)	(22,880)	(42,092)	(4,415)	(8,595)	(328,738)
Disposals	-	(2,077)	(92)	-	-	-	(2,169)
Net book value							
30 June 2022	**1,108,855**	**266,154**	**82,997**	**52,888**	**14,003**	**14,018**	**1,538,915**
Net book value as of 30 June 2022 represented by:							
Gross book value	7,472,768	388,710	304,690	301,404	43,804	42,759	8,554,135
Accumulated depreciation	(6,363,913)	(122,556)	(221,693)	(248,516)	(29,801)	(28,741)	(7,015,220)
Net book value							
30 June 2022	**1,108,855**	**266,154**	**82,997**	**52,888**	**14,003**	**14,018**	**1,538,915**

Parent	Buildings and improvements at cost $	Plant and equipment at cost $	Motor Vehicles at cost $	Total $
Net book value 1 July 2021	1,315,424	29,727	15,833	1,360,984
Additions	33,272	28,833	58,227	120,332
Depreciation	(239,841)	(11,730)	(30,345)	(281,916)
Net book value 30 June 2022	**1,108,855**	**46,830**	**43,715**	**1,199,400**
Net book value as of 30 June 2022 represented by:				
Gross book value	7,472,768	72,988	159,135	7,704,891
Accumulated depreciation	(6,363,913)	(26,158)	(115,420)	(6,505,491)
Net book value 30 June 2022	**1,108,855**	**46,830**	**43,715**	**1,199,400**

	Note	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Note 9: Investments					
Shares in Uraro Community Store Pty Ltd		-	-	10	10

Note 10: Right-of-Use Assets

The Consolidated Group had a Crown lease over three pastoral lots with a 42 year lease term which ceased when the holding entity was deregistered.

i) AASB 16 related amounts recognised in the balance sheet

Right-of-use assets

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Land	-	264,639	-	-
Accumulated amortisation	-	(20,173)	-	-
Total lease assets	-	244,466	-	-

Movement in carrying amount of lease assets:

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Leased property				
Opening net carrying amount	244,466	250,629	-	250,629
Transfer	(244,466)	-	-	(250,629)
Amortisation	-	(6,163)	-	-
Net carrying amount	-	244,466	-	-

ii) AASB 16 related amounts recognised in the statement of profit or loss

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Amortisation charge related to right of use assets	-	6,163	-	-
Interest expense on lease liabilities	-	10,318	-	-

Note 11: Accounts Payable and Other Payables

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Unsecured liabilities				
Trade payables	307,970	428,827	148,728	96,206
GST payable	8,186	-		8
Accrued expenses	34,974	95,689	18,547	61,323
Other payables	13,619	10,994	1,132	4,195
Trade and other payables	364,749	535,510	168,407	161,732

Settlement of trade creditors is generally net 30 days.

The Consolidated Group does not hold any financial liabilities whose terms have been renegotiated, but which would otherwise be past due or impaired.
No collateral has been pledged for any of the current or non-current trade and other payable balances.

	Note	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Note 11: Accounts Payable and Other Payables (continued)					
a. Financial liabilities at amortised cost classified as trade and other payables					
Trade and other payables:					
- total current		364,749	535,510	168,407	161,732
- total non-current		-	-	-	-
		364,749	535,510	168,407	161,732
Less GST payable		(8,186)	-	-	(8)
Financial liabilities as trade and other payables		356,563	535,510	168,407	161,724
No interest is payable on outstanding payables.					
Note 12: Contract Liabilities					
Unexpended grants		118,190	-	-	-
Note 13: Borrowings					
Current					
Elantis Premium Funding		-	139,415	-	139,415
Loan - Carson River Pastoral Co Pty Ltd		-	-	-	118,583
Funds held in trust		128,168	-	243,174	-
		128,168	139,415	243,174	257,998
Note 14: Lease Liabilities					
Lease Liabilities					
Current		-	6,033	-	-
Non-current		-	242,012	-	-
Total lease liabilities		-	248,045	-	-
Note 15: Provisions					
Current					
Employee benefits		22,834	4,582	22,834	4,582
Non-current					
Employee benefits		2,773	629	-	-
Total provisions		25,607	5,211	22,834	4,582

Note 16: Commitments for Expenditure

(a) There were no capital committments at 30 June 2022 (2021: $Nil).

		Consolidated		Parent	
		2022	2021	2022	2021
	Note	$	$	$	$

Note 17: Cash Flow Information

Reconciliation of Cash Flow from Operating Activities with Current Year (Deficit)/Surplus

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
(Deficit)/surplus for the year	(431,343)	142,272	(516,548)	28,260
Non cash transactions				
Depreciation and amortisation	328,738	335,479	281,916	276,601
Net loss on disposal of property, plant and equipment	2,169	-	-	-
Changes in net assets and liabilities:				
(Increase) / Decrease in assets:				
Trade and other receivables	(12,854)	(54,527)	(474)	4,541
Inventories	(17,306)	47,390	-	-
Other current assets	(50,065)	(125,487)	(44,757)	(125,474)
Increase/(decrease) in liabilities:				
Trade and other payables	(170,761)	165,986	6,675	94,466
Grant liabilities	118,190	(25,325)	-	(25,325)
Provisions	20,396	(42,325)	18,252	(36,383)
Net cash flows from operating activities	(212,836)	443,463	(254,936)	216,686

Note 18: Controlled Entities

Subsidiaries of Kalumburu Aboriginal Corporation:

Name of Subsidiary	Principal Place of Business	Ownership Interest Held 2022 %	Ownership Interest Held 2021 %
Uraro Community Store Pty Ltd	Australia	100	100
Carson River Pastoral Co. Pty Ltd	Australia (Deregistered 11/03/2022)	-	100

Note 19: Events After the Reporting Period

The Directors are not aware of any significant events that have occurred since the end of the reporting period which have an effect on the presentation or require disclosure to the financial statements.

		Consolidated		Parent	
		2022	2021	2022	2021
	Note	$	$	$	$

Note 20: Related Parties

From 1 July 2016 AASB 124 *Related Party Disclosures* will apply to the Consolidated Group which means that the Consolidated Group will disclose more information about related parties and transactions with those related parties.

a. Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Consolidated Group, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

Key management personnel remuneration	156,204	126,237	156,204	126,327

b. Under the definitions of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, it is felt that a large majority of the Kalumburu Aboriginal Corporation's members could be classified as related parties. This is due to the fact that the controlled entity is Uraro Community Store Pty Ltd which is where the members purchase a large majority of their groceries and supplies.

c. The Consolidated Group does permit members to purchase from the Uraro Store and ensures that all transactions are at arms length.

No remuneration or other benefits were paid to the directors during the year other than motor vehicles being purchased for the use of Augustine Unghango and Ainsley Donation (2021: $Nil).

There was a loan to Mark Unghango, Director of Carson River Station Pty Ltd this year which was unpaid at the date the company was deregistered on 11/03/2022 (2021: $Nil, nor was there any outstanding balances from prior years).

Note 21: Financial Risk Management

	Note				
Categories of financial instruments					
Financial assets					
Loans and receivables:					
Cash and cash equivalents	4	869,108	1,223,528	622,224	1,012,316
Trade and other receivables	5a	173,992	155,783	77,242	76,768
Carrying amount of financial assets		1,043,100	1,379,311	699,466	1,089,084
Financial Liabilities					
Other financial liabilities:					
Trade and other payables	11a	356,563	535,510	168,407	161,724
Borrowings	13	128,168	139,415	243,174	257,998
Lease liabilities	14	-	248,045	-	-
Carrying amount of financial liabilities		484,731	922,970	411,581	419,722

Financial Risk Management Policies

The overall risk management strategy seeks to ensure that the Consolidated Group meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Note 21: Financial Risk Management (continued)

Special Financial Risk Exposures and Management
The main risks the Consolidated Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk. There has been no substantive change in the types of risk the Consolidated Group is exposed to, how these risks arise, managment's objectives, policies and procedures for managing or measuring risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Consolidated Group.

The Consolidated Group does have material credit risk exposure as its major source of revenue is the receipt of grants and the sale of goods which have decreased significantly from previous years.

Credit risk exposures
The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the consolidated statement of financial postition.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 5.

The Consolidated Group has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 5.

b. Liquidity risk

Liquidity risk arises from the possibility that the Consolidated Group might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Consolidated Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities; and
- only investing surplus cash with major financial institutions.

c. Market risk

Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Consolidated Group is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the Consolidated Group to interest rate risk are limited to bank loans and cash on hand.

The Consolidated Group also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

Fair values
Unless otherwise stated, the directors consider the financial assets and financial liability carrying amount to also be its fair value.

Note 22: Capital Management

The Consolidated Group manages its capital to ensure that it will be able to continue as a going concern. The Consolidated Group's overall stragegy remained unchanged throughout the year.

The capital structure of the Consolidated Group consists of equity comprised of retained earnings.

The Consolidated Group is not subject to any externally imposed capital requirements.

		Consolidated		Parent	
		2022	2021	2022	2021
	Note	$	$	$	$
Note 23: Auditor's Remuneration					
Lowrys Accountants:					
- Audit services - current year		13,750	11,750	9,500	7,500
- Other accounting services		6,500	5,500	5,500	4,500
Total auditor's remuneration		20,250	17,250	15,000	12,000

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KALUMBURU ABORIGINAL CORPORATION AND ITS CONTROLLED ENTITIES

Report on the Audit of the Financial Report

Opinion
We have audited the accompanying financial report, being a general purpose financial report, of Kalumburu Aboriginal Corporation and its controlled entities (the Consolidated Group) which comprises the Consolidated Statement of Financial Position as at 30 June 2022, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies along with other explanatory notes and the Directors' Declaration of the Consolidated Group.

In our opinion, the accompanying financial report of the Consolidated Group has been prepared in accordance with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and the *Australian Charities and Not-for-profits Commission Act 2012* including:

(i) giving a true and fair view of the Consolidated Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards, the *Corporations (Aboriginal and Torres Strait Islander) Regulations 2017* and the *Australian Charities and Not-for-profits Commission Regulations 2013* .

Emphasis of Matter
Without qualification to the statement expressed above, attention is drawn to the following matter.

Dependency on Government Funding
We refer to Note 1 where it states that the Consolidated Group is reliant on operating grants from government. The financial report of the Consolidated Group has been prepared on a going concern basis on the expectation that such funding will continue. Without such funding there is significant uncertainty whether the Consolidated Group will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

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 Consolidated Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Directors for the Financial Report
The Directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards, the *Corporations (Aboriginal and Torres Strait Islander) Act 2006 and the Australian Charities and Not-for-profits Commission Act 2012* and for such internal controls as the Directors determine are necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KALUMBURU ABORIGINAL CORPORATION AND ITS CONTROLLED ENTITIES

Report on the Audit of the Financial Report (continued)

In preparing the financial report, the Directors are responsible for assessing the Consolidated Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Group or to cease operation, or have no realistic alternative but to do so.

Directors are also responsible for overseeing the Consolidated Group'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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:
http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

This description forms part of our auditor's report.

LOWRYS ACCOUNTANTS

Colin James
Registered Company Auditor

Date: 18 November 2022