

EMAC

Financial Report

2022–2023



Eastern Maar
Aboriginal Corporation

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Directors' Report

For the year ended 30 June 2023

ICN 7585

The directors present their report, together with the financial statement on Eastern Maar Aboriginal Corporation (referred to hereafter as the "Corporation") for the financial year ended 30 June 2023.

Directors

The following persons were directors of the Corporation during the whole of the financial year and up to the date of this report, unless otherwise stated:

Janice Austin
Roslyn Clarke-Britton
Allan Miller
Teresa Coverdale
Graeme 'Herb' Harradine
Julie Jose
Nicole Cassar
Jamie Lowe
Alice Ugle
Ron Chatfield
Ebony Hickey
Narelle Carter

Principal activities

During the financial year the principal continuing activities of the corporation consisted of:

- operation as a prescribed body corporate under the *Native Title Act 1993* (Cth);
- the provision of cultural heritage management services as a Registered Aboriginal Party under the operation of the *Aboriginal Heritage Act 2006* (Vic); and
- fee for services for cultural engagements.

Review of operations

The surplus for the corporation after providing for income tax amounted to \$1,525,045 (2022 restated: \$2,777,299).

The surplus for the corporation, after accounting for income tax, amounted to \$1,525,045 for the current reporting period, compared to \$2,777,299 in the prior year (2022). This change is primarily attributed to a few key factors including:

- In the previous financial year, the corporation executed a substantial pipeline project in partnership with Grampians Wimmera Mallee Water Gariwerd Pipeline, resulting in a significant revenue boost primarily from fieldwork activities. However, this fiscal year marked a deviation from the prior year's financial performance. Several factors contributed to this variance:
 - The absence of a comparable project this year, akin to the Pipeline collaboration, resulted in reduced revenue. Simultaneously, the organization faced increased staff employment costs due to factors such as salary adjustments, new hires, and related employee benefits. Moreover, the impact of inflation within the broader economic environment led to higher operational expenses, ultimately affecting our surplus in contrast to the previous year.

In conclusion, the variance in surplus between the current reporting period and the prior year is mainly due to the absence of a major project akin to the Water Corporation collaboration, combined with rising staff employment costs and inflationary pressures. These factors collectively influenced our financial performance for this year, as elaborated in these audited financial statements.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the corporation during the financial year.

Directors' Report Continued

ICN 7585

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the corporation's operations, the results of those operations, or the corporation's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the corporation and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the corporation.

Environmental regulation

The corporation is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Distribution to members

Distribution to members paid during the financial year were nil. Details of distributions recommended or declared for payment to members, but not paid during the year were nil.



Directors' Report *Continued*

ICN 7585

Information on directors

Name	Janice Austin
Family group	Family Group 8 – Clarke/Austin/Rose
Name	Vacant
Family group	Family Group 10 – Clarke
Name	Roslyn Clarke-Britton
Family group	Family Group 12 – Rose
Name	Ron Chatfield
Family group	Family Group 4 – Chatfield/Clarke & Berg/Clarke
Name	Allan Miller
Family group	Family Group 2 – Austin
Name	Narelle Carter
Family group	Family Group 1 – Alberts
Name	Teresa Coverdale
Family group	Family Group 11 – Couzens
Name	Alice Ugle
Family group	Family Group 3 – Clarke/Clark
Name	Graeme 'Herb' Harradine
Family group	Family Group 5 – Harradine/Blundell
Name	Julie Jose
Family group	Family Group 9 – Clarke/Rawlings
Name	Nicole Cassar
Family group	Family Group 7 – Clarke/Lovett
Name	Jamie Lowe
Family group	Family Group 6 – Clarke/Lowe
Name	Ebony Hickey
Family group	Family Group 13 – Sharp

Company Secretary

Angela Jeffery has held the position of company secretary since 31 January 2020.

Directors' Report Continued

ICN 7585

Meetings of directors

The number of meetings of the corporation's directors held during the year ended 30 June 2023, and the number of meetings attended by each director including the annual general meeting were:

Director	Appointed/Resigned	Attended	Eligible to attend
Janice Austin	Appointed 11 July 2011	11	12
Roslyn Clarke-Britton	Appointed 30 October 2015	10	12
Allan Miller	Appointed 30 October 2015	12	12
Teresa Coverdale	Appointed 3 February 2018	11	12
Graeme 'Herb' Harradine	Appointed 7 February 2019	9	12
Julie Jose	Appointed 30 November 2019	9	12
Nicole Cassar	Appointed 3 February 2018	10	12
Jamie Lowe	Appointed 27 February 2021	10	12
Alice Ugle	Appointed 26 February 2022	12	12
Ron Chatfield	Appointed 26 February 2022	11	12
Ebony Hickey	Appointed 3 December 2022	5	6
Narelle Carter	Appointed 3 December 2022	5	6

Indemnity and insurance of officers

The corporation has indemnified the directors and executives of the corporation for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the corporation paid a premium in respect of a contract to insure the directors of the corporation against a liability to the extent permitted by the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act). The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The corporation has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the corporation or any related entity against a liability incurred by the auditor.

During the financial year, the corporation has not paid a premium in respect of a contract to insure the auditor of the corporation or any related entity.


Proceedings on behalf of the corporation

No person has applied to the Court under section 169-5 of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* for leave to bring proceedings on behalf of the corporation, or to intervene in any proceedings to which the corporation is a party for the purpose of taking responsibility on behalf of the corporation for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 339-50 of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* is set out immediately after this directors' report.

Signed in accordance with a resolution of the Board of Directors.

Director: 
Allan Miller

Director: 
Nicole Cassar

Dated this on 17th day of January 2024

Auditor's Independence Declaration



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As lead auditor for the audit of the financial report of Eastern Maar Aboriginal Corporation for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads "John Findlay".

JOHN FINDLAY
Partner

Ballarat, Victoria
Dated this 22nd day of January 2024

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

ICN 7585

	Note	2023 \$	2022 \$(restated) \$
Revenue	2.1	4,042,752	4,366,741
Other revenue	2.2	1,480,468	1,508,750
		5,523,220	5,875,491
Operating expenses	3.1	(3,814,510)	(2,956,079)
Depreciation	4.3	(183,498)	(140,939)
Finance costs		(167)	(1,174)
Surplus before income tax		1,525,045	2,777,299
Income tax expense		-	-
Surplus after income tax for the year attributable to members		1,525,045	2,777,299
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year attributable to members		1,525,045	2,777,299

The accompanying notes form part of these financial statements

Statement of Financial Position

For the year ended 30 June 2023

ICN 7585

	Note	2023 \$	2022 \$ (restated)
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	11,941,353	9,919,596
Trade and other receivables	5.1	762,861	244,473
Other assets	5.2	19,244	10,765
Total Current Assets		12,723,458	10,174,834
Non-Current Assets			
Plant and equipment	4.1	494,994	302,120
Right-of-use assets	4.2	-	35,429
Total Non-Current Assets		494,994	337,549
TOTAL ASSETS		13,218,452	10,512,383
LIABILITIES			
Current Liabilities			
Trade and other payables	5.3	495,924	392,647
Employee benefits	3.2	189,627	111,091
Contract liabilities	5.4	3,248,604	1,884,845
Lease liabilities	6.2	-	36,500
Other liabilities	5.5	1,411,125	1,495,076
Total Current Liabilities		5,345,280	3,920,159
Non-Current Liabilities			
Employee benefits	3.2	35,481	20,859
Contract liabilities	5.4	442,663	701,382
Total Non-Current Liabilities		478,144	722,241
TOTAL LIABILITIES		5,823,424	4,642,400
NET ASSETS		7,395,028	5,869,983
EQUITY			
Retained earnings	7.1	7,395,028	5,869,983
TOTAL EQUITY		7,395,028	5,869,983

The accompanying notes form part of these financial statements

Statement of Changes in Equity

For the year ended 30 June 2023

ICN 7585

	Retained earnings \$	Total \$
2023		
Balance at 1 July 2022 (restated)	5,869,983	5,869,983
Surplus attributable to members	1,525,045	1,525,045
Balance at 30 June 2023	7,395,028	7,395,028
2022		
Balance at 1 July 2021	3,092,746	3,092,746
Surplus attributable to members	2,537,019	2,537,019
Restatement	240,218	240,218
Balance at 30 June 2022 (restated)	5,869,983	5,869,983

The accompanying notes form part of these financial statements



Statement of Cash Flows

For the year ended 30 June 2023

ICN 7585

	Note	2023 \$	2022 \$
CASH FLOW FROM OPERATING ACTIVITIES:			
Receipts from customers (inclusive of GST)		6,773,374	8,784,600
Payments to suppliers and employees (inclusive of GST)		(4,415,715)	(3,978,401)
Interest received		11,740	253
Interest and other costs of finance paid		(167)	(1,174)
Net cash provided by operating activities		2,369,232	4,805,278
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of plant and equipment		(344,611)	(224,101)
Proceeds from sale of plant and equipment		33,636	12,674
Net cash used in investing activities		(310,975)	(211,427)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayments of finance leases		(36,500)	(72,346)
Net cash used in financing activities		(36,500)	(72,346)
Net increase in cash and cash equivalents held		2,021,757	4,521,505
Cash and cash equivalents at beginning of financial year		9,919,596	5,398,091
Cash and cash equivalents at end of financial year	6.1	11,941,353	9,919,596

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the year ended 30 June 2023

ICN 7585

Note 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The corporation has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards – *Simplified Disclosures* and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs.

The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements are prepared on a going concern basis.

a) Corporation details

The registered office and principal place of business of the corporation is:

Eastern Maar Aboriginal Corporation
208 Liebig Street
Warrnambool VIC 3280

b) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Corporation's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Corporation's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

c) Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the relevant notes.

d) Income tax

No provision for income tax has been raised as the entity is exempt from income tax pursuant to Division 50, section 50-10 of the *Income Tax Assessment Act 1997*.

Notes to the Financial Statements

For the year ended 30 June 2023

ICN 7585

Note 1 Summary of Significant Accounting Policies (cont.)

e) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

f) Prior year restatement

During the year, management identified a number of departures from Australian Accounting Standards, which have resulted in the restatement of the 30 June 2022 balances, outlined below:

- Revenue relating to the 2022 financial year for CHMP site monitoring fees had incorrectly been recorded in the 2023 financial year.
- Revenue recognition errors, where a number of grants were incorrectly assessed and recorded in accordance with AASB 1058 and should have been recorded in accordance with AASB 15.
- Trust expenditure relating to the 2022 financial year was incorrectly recorded as revenue rather than reversed against operating expenditure.
- Woodside/Beach Energy trust fund liability did not reconcile to the trust fund bank balance.

	2022 reported (\$)	Adjustment (\$)	2022 restated (\$)
Statement of Profit or Loss and Other Comprehensive Income			
Revenue	5,788,444	4,187	5,792,631
Operating expenses	(3,192,172)	236,093	(2,956,079)
Statement of Financial Position			
Trade and other receivables	214,438	30,035	244,473
Contract liabilities	2,584,940	(700,095)	1,884,845
Other liabilities	1,495,014	62	1,495,076
Retained earnings	5,629,765	240,218	5,869,983
Statement of Cash Flows			
Receipts from customers (inclusive of GST)	8,274,447	510,153	8,784,600
Payments to suppliers and employees (inclusive of GST)	(3,467,995)	(510,406)	(3,978,401)
Interest received	-	253	253

Notes to the Financial Statements

For the year ended 30 June 2023

ICN 7585

Note 2 Funding the Delivery of Our Products and/or Services

EMAC operates as a prescribed body corporate under the *Native Title Act 1993 (Cth)* and provides cultural heritage management services as a Registered Aboriginal Party under the operation of the *Aboriginal Heritage Act 2006 (Vic)*.

- 2.1: Revenue
- 2.2: Other revenue

	2023 \$	2022 \$ (restated)
Note 2.1: Revenue		
CHMP income	1,549,797	2,904,929
Grant funding	2,098,589	1,382,202
Other income	394,366	79,610
Total revenue	4,042,752	4,366,741
Note 2.2: Other revenue		
Other income	-	3,250
Grant Funding	1,450,499	1,505,500
Gain on write-off of fixed asset	29,969	-
Total other revenue	1,480,468	1,508,750
Total revenue	5,523,220	5,875,491

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Geographical regions

Australia	4,042,752	4,366,741
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Timing of revenue recognition

Goods transferred at a point in time	1,964,163	3,242,566
Services transferred over time	2,078,589	1,124,175
Total	4,042,752	4,366,741

Revenue recognition

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

Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the corporation is expected to be entitled in exchange for transferring goods or services to a customer.

For each contract with a customer, the corporation:

1. identifies the contract with a customer;
2. identifies the performance obligations in the contract;
3. determines the transaction price which takes into account estimates of variable consideration and the time value of money;
4. allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
5. recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Notes to the Financial Statements

For the year ended 30 June 2023

ICN 7585

Note 2 Funding the Delivery of Our Products and/or Services (cont.)

Grants

Grant revenue is recognised in profit or loss when the corporation satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the corporation is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Rendering of services

Rendering of services revenue is recognised at a point in time, when the invoices are raised, and the services are provided.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.



Notes to the Financial Statements

For the year ended 30 June 2023

ICN 7585

Note 3 The Cost of Delivering Our Services

This section provides an account of the expenses incurred by the Corporation in providing key services. In Note 2, the funds that enable the provision of services/products were disclosed and in this note the cost associated with provision of services are recorded.

3.1: Breakdown of operating expenditure

3.2: Employee benefits in the statement of financial position

3.3: Superannuation

2023	2022
\$	\$
	(restated)

Note 3.1: Breakdown of operating expenditure

Administration	278,010	137,578
Consultancy	80,305	66,812
Employee benefits	2,371,233	1,307,685
Motor vehicles	84,222	34,349
Rent	18,333	613
Cultural heritage expenses	719,308	1,275,965
Travel	52,020	34,560
Community services	211,079	98,517
Total operating expenditure	3,814,510	2,956,079

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Note 3.2: Employee benefits in the statement of financial position

Current

Provision for annual leave	176,218	102,192
Provision for time in lieu	5,149	8,899
Provision for public holiday	8,260	-
Total current employee benefits	189,627	111,091

Non-current

Provision for long service leave	35,481	20,859
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Employee benefits recognition

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Notes to the Financial Statements

For the year ended 30 June 2023

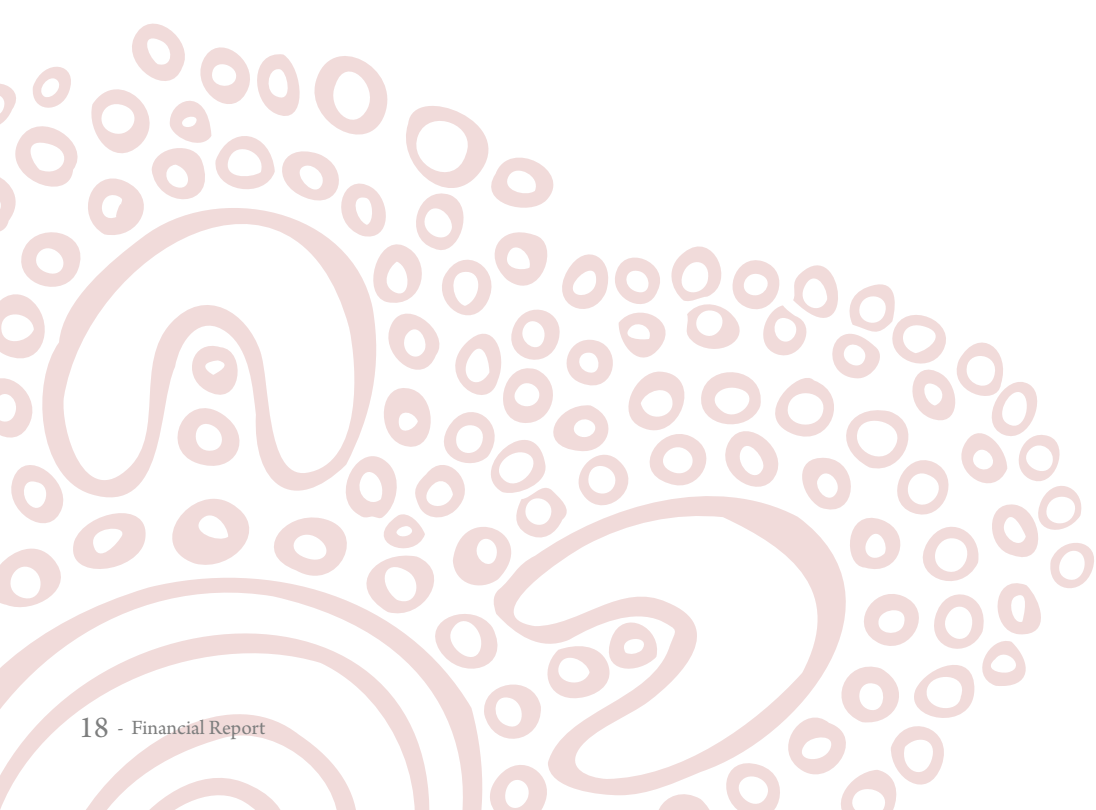
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Note 3 The Cost of Delivering Our Services (cont.)

	2023	2022
	\$	\$
Note 3.3: Superannuation		
Superannuation expense	<u>212,856</u>	<u>113,887</u>

Superannuation recognition

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.



Notes to the Financial Statements

For the year ended 30 June 2023

ICN 7585

Note 4 Key Assets to Support Service Delivery

The Corporation controls infrastructure that is utilised in fulfilling its objectives and conducting its activities. They represent the key resources to be utilised for delivery of those services.

4.1: Plant and equipment

4.2: Right-of-use assets

4.3: Depreciation

	2023 \$	2022 \$
Note 4.1: Plant and equipment		
i) Gross carrying amount and accumulated depreciation		
<i>Non-current</i>		
Computer equipment (at cost)	214,957	117,731
Less accumulated depreciation	(123,766)	(69,725)
Total computer equipment	91,191	48,006
Office furniture (at cost)	77,935	59,156
Less accumulated depreciation	(14,359)	(7,271)
Total office furniture	63,576	51,885
Motor vehicles (at cost)	509,100	348,209
Less accumulated depreciation	(172,965)	(146,712)
Total motor vehicles	336,135	201,497
Artefacts (at cost)	4,092	732
Total artefacts	4,092	732
Total plant and equipment	494,994	302,120

ii) Reconciliations of the carrying amounts of each class of asset

	Computer equipment \$	Office furniture \$	Motor vehicles \$	Artefacts \$	Total \$
Year ended 30 June 2023					
Balance at the beginning of year	48,006	51,885	201,497	732	302,120
Additions	100,660	19,075	221,515	3,360	344,610
Disposals	(3,433)	(295)	(60,623)	-	(3,667)
Depreciation expense	(54,042)	(7,089)	(26,254)	-	(148,069)
Balance at the end of the year	91,191	63,576	336,135	4,092	494,994

Plant and equipment recognition

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Notes to the Financial Statements

For the year ended 30 June 2023

ICN 7585

Note 4 Key Assets to Support Service Delivery (cont.)

	2023 \$	2022 \$	
Note 4.2: Right-of-use assets			
i) Gross carrying amount and accumulated depreciation			
<i>Non-current</i>			
Property (at cost)	141,715	141,715	
Less accumulated depreciation	(141,715)	(106,286)	
Total property right-of-use assets	-	35,429	
Motor vehicles (at cost)	-	28,805	
Less accumulated depreciation	-	(16,131)	
Transfer to plant and equipment	-	(12,674)	
Total motor vehicle right-of-use assets	-	-	
Total right-of-use assets	-	35,429	
ii) Reconciliations of the carrying amounts of each class of asset			
	Property \$	Motor vehicles \$	Total \$
Year ended 30 June 2023			
Balance at the beginning of year	35,429	-	35,429
Depreciation expense	(35,429)	-	(35,429)
Balance at the end of the year	-	-	-

Right-of-use asset recognition

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Corporation expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Corporation has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of assets

At the end of each reporting period, the corporation reviews the carrying values of its tangible 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 to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

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.

Notes to the Financial Statements

For the year ended 30 June 2023

ICN 7585

Note 4 Key Assets to Support Service Delivery (cont.)

Note 4.2: Right-of-use assets (cont.)

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

Critical accounting estimates and judgments: Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Corporation assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Corporation 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 of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

	2023	2022
	\$	\$
Note 4.3: Depreciation		
Computer equipment	57,404	33,721
Office equipment	7,118	4,640
Motor vehicles	83,547	49,435
Property – right-of-use	35,429	53,143
Total depreciation	183,498	140,939

Depreciation recognition

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Fixed asset class	Depreciation rate
Computer equipment	40%
Office equipment	10%
Motor vehicles	20%
Property – right-of-use	37.5%
Motor vehicle – right-of-use	20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the corporation. Gains and losses between the carrying amount and the disposal proceeds are taken to the statement of profit or loss and other comprehensive income.

Critical accounting estimates and judgments: Estimation of useful lives of assets

The Corporation 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.

Notes to the Financial Statements

For the year ended 30 June 2023

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Note 5 Other Assets and Liabilities

This section sets out those assets and liabilities that arose from the Corporation's operations.

- 5.1: Trade and other receivables
- 5.2: Other assets
- 5.3: Trade and other payables
- 5.4: Contract liabilities
- 5.5: Other liabilities

2023	2022
\$	\$ (restated)

Note 5.1: Trade and other receivables

Current

Trade debtors	627,795	199,688
Less provision for impairment	(8,188)	(5,000)
Other receivables	136,727	19,750
Contract asset	6,527	30,035
Total trade and other receivables	762,861	244,473

Receivables recognition

Trade and other receivables include amounts due from residents. Receivables are generally expected to be received within 30 days. These are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets recognition

Contract assets are recognised when the incorporated association has transferred goods or services to the customer but where the incorporated association is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Note 5.2: Other assets

Current

Prepayments	19,244	10,765
Total other assets	19,244	10,765

Other assets recognition

Other assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Note 5.3: Trade and other payables

Current

Trade payables	17,255	9,684
Payroll liabilities – accrued wages	-	11,298
Payroll liabilities – superannuation payable	20,322	18,857
Payroll liabilities – PAYG withholding payable	49,268	53,167
GST payable	332,214	292,839
Accrued expenses	70,107	5,500
Visa	6,758	1,302
Total trade and other payables	495,924	392,647

Payables recognition

These amounts represent liabilities for goods and services provided to the corporation prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to the Financial Statements

For the year ended 30 June 2023

ICN 7585

Note 5 Other Assets and Liabilities (cont.)

	2023 \$	2022 \$ (restated)
Note 5.4: Contract liabilities		
<i>Current</i>		
Deferred funding revenue	<u>3,248,604</u>	<u>1,884,845</u>
<i>Non-current</i>		
Deferred funding revenue	<u>442,663</u>	<u>701,382</u>

Contract liabilities recognition

Contract liabilities represent the Corporation's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Corporation recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Corporation has transferred the goods or services to the customer.

Note 5.5: Other liabilities

Current

Funds held in trust	1,411,125	1,495,076
Total other liabilities	<u>1,411,125</u>	<u>1,495,076</u>

Note 5.5.1: Funds held in trust

Trust funds – Native Title Services Victoria Ltd	854,998	843,258
Trust funds – Victorian Aboriginal Affairs Framework	80,383	257,557
Trust funds – Indigenous Land Use agreement	454,261	394,261
Trust – Indigenous Land Use agreement (Stavely)	21,483	-
Total funds held in trust	<u>1,411,125</u>	<u>1,495,076</u>

Trust funds are held for a number of organisations and programs per above. These funds are held in trust for the sole purpose of the project and consent must be received before expending project monies.

Notes to the Financial Statements

For the year ended 30 June 2023

ICN 7585

Note 6 How We Finance Our Operations

This section provides information on the sources of finance utilised by the Corporation during its operations, along with other information related to financing activities of the Corporation.

This section includes disclosures of balances that are financial instruments.

6.1: Cash and cash equivalents

6.2: Lease liabilities

	2023 \$	2022 \$
Note 6.1: Cash and cash equivalents		
<i>Current</i>		
Cash at bank	<u>11,941,353</u>	<u>9,919,596</u>
Cash and cash equivalents recognition		
Cash and cash equivalents comprise cash on hand and at bank.		
Note 6.2: Lease liabilities		
<i>Current</i>		
Lease liabilities	<u>-</u>	<u>36,500</u>
<i>Non-current</i>		
Lease liabilities	<u>-</u>	<u>-</u>
Maturity analysis of future lease payments		
Not later than one year	-	36,500
Later than one year and not later than 5 years	-	-
Less unexpired interest	-	-
Total	<u>-</u>	<u>36,500</u>

Lease liability recognition policy

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following:

- future lease payments arising from a change in an index or a rate used;
- residual guarantee;
- lease term; and
- certainty of a purchase option and termination penalties.

When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Notes to the Financial Statements

For the year ended 30 June 2023

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Note 7 Other Disclosures

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

- 7.1: Financial Instrument
- 7.2: Equity
- 7.3: Related parties
- 7.4: Key management personnel compensation
- 7.5: Remuneration of auditors
- 7.6: Contingent liabilities
- 7.7: Events occurring after the reporting date

Note 7.1 Financial instruments

Financial assets

Financial assets are initially recognised at fair value. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

The corporation only holds financial assets measured at amortised cost.

Assets measured at amortised cost are financial assets where:

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

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the corporation has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost. This assessment is derived at using both quantitative and qualitative information and analysis based on the corporation's historical experience and informed assessment.

Financial liabilities

The corporation measures all financial liabilities initially at fair value less transactions costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method.

	2023 \$	2022 \$(restated)
Note 7.2: Equity		
(i) Retained earnings		
Retained earnings at the beginning of the financial year	5,869,983	3,092,746
Surplus after income tax expense for the year	1,525,045	2,537,019
Restatement	-	240,218
Retained earnings at the end of the financial year	7,395,028	5,869,983

Notes to the Financial Statements

For the year ended 30 June 2023

ICN 7585

Note 7 Other Disclosures (cont.)

Note 7.3: Related parties

Key management personnel

Disclosures relating to key management personnel are set out in note 7.4.

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions were made with family groups:

Family group payments:

Family	2023 \$	2022 \$
Family 1 – Alberts	6,011	1,596
Family 2 – Austin	99,024	125,466
Family 3 – Clarke/Clark	249,462	500,997
Family 4 – Chatfield/Clarke & Berg/Clarke	74,066	63,927
Family 5 – Harradine/Blundell	97,062	227,458
Family 6 – Clarke/Lowe	42,853	73,601
Family 7 – Clarke/Lovett	20,428	15,008
Family 8 – Clarke/Austin/Rose	79,755	66,041
Family 9 – Clarke/Rawlings	117,222	161,828
Family 10 – Clarke	-	1,200
Family 11 – Couzens	125,078	108,407
Family 12 – Rose	9,169	36,874
Family 13 – Sharp	45,879	-
Total	966,009	1,382,403

Receivable from and payable to related parties

There were no material receivables from or payables to related parties at the current and previous reporting date.

Notes to the Financial Statements

For the year ended 30 June 2023

ICN 7585

Note 7 Other Disclosures (cont.)

Note 7.4: Key management personnel compensation

Any persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly, including any director is considered key management personnel.

Board of Directors

	Period	
Janice Austin	1 July 2022	to 30 June 2023
Roslyn Clarke-Britton	1 July 2022	to 30 June 2023
Allan Miller	1 July 2022	to 30 June 2023
Teresa Coverdale	1 July 2022	to 30 June 2023
Graeme 'Herb' Harradine	1 July 2022	to 30 June 2023
Julie Jose	1 July 2022	to 30 June 2023
Nicole Cassar	1 July 2022	to 30 June 2023
Jamie Lowe	1 July 2022	to 30 June 2023
Alice Ugle	1 July 2022	to 30 June 2023
Ron Chatfield	1 July 2022	to 30 June 2023
Narelle Carter	3 December 2022	to 30 June 2023
Ebony Hickey	3 December 2022	to 30 June 2023

Senior Management

Marcus Clarke (Chief Executive Officer)	27 November 2019	to 30 June 2023
Angela Jeffery (General Manager, Operations and Policy)	30 September 2019	to 30 June 2023
John Clarke (General Manager, Cultural Landscapes)	26 August 2019	to 30 June 2023
Davina Taylor (General Manager, Mana Developments)	20 April 2022	to 30 June 2023

The total of compensation for key management personnel is shown below.

	2023	2022
	\$	\$
Total key management personnel	<u>722,062</u>	<u>455,264</u>

Note 7.5: Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners (2022: McLaren Hunt), the auditor of the Corporation:

Audit of the financial statements	18,500	12,000
Acquittal audit	3,321	-
Other accounting assistance	28,865	2,000
Total remuneration of auditors	<u>50,686</u>	<u>14,000</u>

Note 7.6: Contingent liabilities

There are no known contingent liabilities to disclose in the financial report.

Note 7.7: Events occurring after the reporting date

The Corporation executed an agreement ancillary to an agreement entered in accordance with section 31 of the Native Title Act and received revenue from that ancillary agreement on 24 November 2023.

No other matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the corporation, or the results of those operations.

Directors' Declaration

For the year ended 30 June 2023

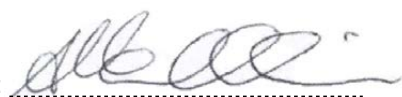
ICN 7585

In the directors; opinion:

- The attached financial statements comply with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, the Australian Accounting Standards – *Simplified Disclosures*, the *Corporations (Aboriginal and Torres Strait Islander) Regulations 2007* and other mandatory professional reporting requirements;
- The attached financial statements give a true and fair view of the corporation's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- there are reasonable grounds to believe that the corporation will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.

Director:



Allan Miller

Director:



Nicole Cassar

Dated this 17th day of January 2024



Independent Auditor's Report



RSM Australia Partners

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Opinion

We have audited the financial report of Eastern Maar Aboriginal Corporation, which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the financial report of Eastern Maar Aboriginal Corporation has been prepared in accordance with the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act) and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – *Simplified Disclosures*, the *Corporations (Aboriginal and Torres Strait Islander) Regulations 2007* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 Eastern Maar Aboriginal Corporation 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in Eastern Maar Aboriginal Corporation's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report *Continued*



Responsibilities of Management and Those Charged with Governance for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – *Simplified Disclosures*, the CATSI Act and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing Eastern Maar Aboriginal Corporation'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 management either intend to liquidate Eastern Maar Aboriginal Corporation or to cease operations, or have no realistic alternative but to do so.

The directors 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 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 at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Independence

We confirm that the independence declaration required by the CATSI Act and ACNC Act, which has been given to the responsible entities of Eastern Maar Aboriginal Corporation, would be in the same terms if given to the responsible entities as at the time of this auditor's report.

RSM

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads 'John Findlay'.

JOHN FINDLAY
Partner

Ballarat, Victoria
Dated this 22nd day of January 2024



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Eastern Maar
Aboriginal Corporation

