

# **First Nations Foundation**

ACN 117 794 466

## **Financial Statements**

For the Year Ended 30 June 2018

# First Nations Foundation

ACN 117 794 466

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For the Year Ended 30 June 2018

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# First Nations Foundation

ACN 117 794 466

## Directors' Report

30 June 2018

The directors present their report on First Nations Foundation for the financial year ended 30 June 2018.

### 1. General information

#### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Ian Hamm (Chair)

Karen Milward

Resigned 4.12.2017

Gary Hearst

Resigned 19.9.2017

Jayde Geia (Deputy Chair)

Michelle Crawford

Raylene Bellottie

Phil Usher (Treasurer)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### Principal activities

The principal activity of First Nations Foundation during the financial year was direct assistance to indigenous Australians and their communities.

No significant changes in the nature of the Company's activity occurred during the financial year.

#### Members' guarantee

First Nations Foundation is a company limited by guarantee. In the event of, and for the purpose of winding up the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$20 for members that are corporations and \$20 for all other members, subject to the provisions of the company's constitution.

At 30 June 2018 there were five members having a collective liability of \$ 100 (2017: \$140).

### 2. Operating results and review of operations for the year

#### Operating result

The deficit of the Company for the financial year amounted to \$(99,490) (2017 Surplus: \$419,593).

**First Nations Foundation**

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**Directors' Report**

**30 June 2018**

**3. Other items**

**Significant changes in state of affairs**

There have been no significant changes in the state of affairs of the Company during the year.

**Events after the reporting date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

**Indemnification and insurance of officers and auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of First Nations Foundation.

**(a) Sign off information**

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

Director: .....  
Ilan Hamm (Chair)

Director: .....  
Phil Usher (Treasurer)

Dated 4 September 2018

## **First Nations Foundation**

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# **Auditor's Independence Declaration to the Directors of First Nations Foundation**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in 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.

Andrew Fisher FCA, Partner (auditor registration number 306364) on behalf of  
Banks Group Assurance Pty Ltd, Chartered Accountants  
Authorised audit company number 294178 (ACN 115 749 598)

Melbourne, Australia

4 September 2018

**First Nations Foundation**

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**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 30 June 2018**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
Revenue	2	<b>693,070</b>	994,053
Administration expenses		<b>(342,696)</b>	(267,101)
Depreciation expense		<b>(4,483)</b>	(2,046)
Employee benefits expense		<b>(445,381)</b>	(233,694)
Project expenses		-	(71,619)
<b>(Deficit)/surplus for the year</b>		<b>(99,490)</b>	419,593
In-kind income		<b>9,700</b>	153,550
In-kind expenditure		<b>(9,700)</b>	(153,550)
<b>Net (deficit)/surplus for the year</b>		<b>(99,490)</b>	419,593

The accompanying notes form part of these financial statements.

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**Statement of Financial Position****30 June 2018**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	3	<b>636,414</b>	562,484
Trade and other receivables	4	<b>79,379</b>	56,312
Other assets		<b>20,000</b>	-
<b>TOTAL CURRENT ASSETS</b>		<b>735,793</b>	618,796
NON-CURRENT ASSETS			
Trade and other receivables	4	-	6,579
Property, plant and equipment	5	<b>6,632</b>	1,556
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,632</b>	8,135
<b>TOTAL ASSETS</b>		<b>742,425</b>	626,931
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	6	<b>117,838</b>	19,554
Other liabilities	7	<b>215,000</b>	120,000
Employee benefits	8	<b>31,918</b>	10,218
<b>TOTAL CURRENT LIABILITIES</b>		<b>364,756</b>	149,772
NON-CURRENT LIABILITIES			
<b>TOTAL LIABILITIES</b>		<b>364,756</b>	149,772
<b>NET ASSETS</b>		<b>377,669</b>	477,159
<b>EQUITY</b>			
Accumulated surplus		<b>377,669</b>	477,159
<b>TOTAL EQUITY</b>		<b>377,669</b>	477,159

The accompanying notes form part of these financial statements.

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**Statement of Changes in Equity**

**For the Year Ended 30 June 2018**

**2018**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2017</b>	<b>477,159</b>	<b>477,159</b>
Deficit attributable to members	<b>(99,490)</b>	<b>(99,490)</b>
<b>Balance at 30 June 2018</b>	<b>377,669</b>	<b>377,669</b>

**2017**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2016</b>	57,566	57,566
Surplus attributable to members	419,593	419,593
<b>Balance at 30 June 2017</b>	477,159	477,159

The accompanying notes form part of these financial statements.

# First Nations Foundation

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## Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	770,928	1,010,799
Payments to suppliers and employees	(690,025)	(619,111)
Interest received	2,586	1,437
Net cash provided by operating activities	10 <u>83,489</u>	<u>393,125</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	<u>(9,559)</u>	-
Net cash (used by) investing activities	<u>(9,559)</u>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase in cash and cash equivalents held	73,930	393,125
Cash and cash equivalents at beginning of year	<u>562,484</u>	<u>169,359</u>
Cash and cash equivalents at end of financial year	3 <u>636,414</u>	<u>562,484</u>

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2018**

### **1 Summary of Significant Accounting Policies**

#### **(a) Basis of Preparation**

The directors have prepared the financial statements on the basis that the not-for-profit Company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Australian Charities and Not-for-profits Commissions Act 2012.

The financial statements have been prepared in accordance with recognition and measurement criteria in the Australian Accounting Standards and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AAS108 Accounting Policies and Changes in Accounting Estimates and Errors.

The significant accounting policies disclosed below are those which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes.

#### **(b) Comparative Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

#### **(c) Income Tax**

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

#### **(d) Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2018**

### **1 Summary of Significant Accounting Policies**

#### **Grant revenue**

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When conditions are attached to grant revenue relating to the use of those grants for specific purposes, the revenue is recognised as a liability until such conditions are met or services provided.

#### **Donations**

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, in which case they are recognised as a liability until the relevant conditions are met.

First Nations Foundation may receive non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income

#### **Interest revenue**

Interest is recognised using the effective interest method.

#### **(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 taxation authority is classified as operating cash flows.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2018**

### **1 Summary of Significant Accounting Policies**

(f) **Property, Plant and Equipment**

Classes of property, plant and equipment are measured using the cost model, whereby the asset is carried at its cost less any accumulated depreciation and any impairment losses.

**Plant and equipment**

Plant and equipment are measured using the cost model.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

**Depreciation**

The depreciable amount of all property, plant and equipment is depreciated on a reducing balance method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the asset's useful life.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) **Cash and cash equivalents**

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.

(h) **Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

## Notes to the Financial Statements

### For the Year Ended 30 June 2018

2 Revenue and Other Income

**Revenue from continuing operations**

	2018	2017
	\$	\$
Finance income		
- Bank deposits	2,586	1,437
Other revenue		
- Project contributions and other income	690,484	992,616
<b>Total Revenue</b>	<b>693,070</b>	<b>994,053</b>

3 Cash and cash equivalents

	2018	2017
	\$	\$
Cash at bank and in hand	636,414	562,484

**Reconciliation of cash**

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2018	2017
	\$	\$
Cash and cash equivalents	636,414	562,484
<b>Balance as per statement of cash flows</b>	<b>636,414</b>	<b>562,484</b>

4 Trade and other receivables

	2018	2017
	\$	\$
<b>CURRENT</b>		
Loans to employees	1,511	-
Prepayments	1,814	1,271
GST receivable	4,554	6,053
Trade receivables	71,500	48,988
<b>Total current trade and other receivables</b>	<b>79,379</b>	<b>56,312</b>
<b>NON-CURRENT</b>		
Security deposits	-	6,579
<b>Total non-current trade and other receivables</b>	<b>-</b>	<b>6,579</b>

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### Notes to the Financial Statements

For the Year Ended 30 June 2018

5	Property, plant and equipment	2018	2017
		\$	\$
	PLANT AND EQUIPMENT		
	Office equipment		
	At cost	15,538	18,329
	Accumulated depreciation	(8,906)	(16,773)
	Total office equipment	<u>6,632</u>	<u>1,556</u>
	<b>Total property, plant and equipment</b>	<b><u>6,632</u></b>	<b><u>1,556</u></b>
6	Trade and other payables	2018	2017
		\$	\$
	CURRENT		
	Unsecured liabilities		
	Sundry payables and accrued expenses	112,316	9,098
	ANZ credit card facility	5,521	10,456
	<b>Total trade and other payables</b>	<b><u>117,837</u></b>	<b><u>19,554</u></b>
7	Other Liabilities	2018	2017
		\$	\$
	CURRENT		
	Deferred income	<u>215,000</u>	<u>120,000</u>
8	Employee Benefits	2018	2017
		\$	\$
	Current liabilities		
	Annual leave	<u>31,918</u>	<u>10,218</u>
9	Members' Guarantee		

First Nations Foundation is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 20 each towards meeting any outstanding and obligations of the Company. At 30 June 2018 the number of members was 5 (2017: 7).

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2018**

10 Cash Flow Information

**Reconciliation of result for the year to cashflows from operating activities**

Reconciliation of net income to net cash provided by operating activities:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
(Deficit)/surplus for the year	<b>(99,490)</b>	419,593
Cash flows excluded from surplus/(deficit) attributable to operating activities		
Non-cash flows in surplus/(deficit):		
- depreciation	<b>4,483</b>	2,046
Changes in assets and liabilities:		
- decrease in trade and other receivables	<b>72,488</b>	4,632
- (increase) in other assets	<b>(15,475)</b>	(1,800)
- increase/(decrease) in trade and other payables	<b>99,783</b>	(28,824)
- increase/(decrease) in employee benefits	<b>21,700</b>	(2,522)
Cashflow from operations	<b>83,489</b>	393,125

11 Company Details

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

First Nations Foundation  
1 Gold Street  
Collingwood Victoria 3066

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**Directors' Declaration**

The directors have determined that the Company is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 of the financial statements.

The directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 5, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
  - (a) comply with Australian Accounting Standards as stated in Note 1 and the Australian Charities and Nof-for-profits Commission Regulation 2013; and
  - (b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.
- 2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director .....  
Ilan Hamm (Chair)

Director .....  
Phil Usher (Treasurer)

Dated 04 September 2018

## **Independent Audit Report to the members of First Nations Foundation**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the accompanying financial report, being a special purpose financial report of First Nations Foundation (the Company), which comprises the statement of financial position as at 30 June 2018, 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 accompanying financial report of the Company is in accordance with the Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and Not-for-profits Commission Regulation 2013.

#### **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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 confirm that the independence declaration required by the Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### **Emphasis of Matter - Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared to assist First Nations Foundation to comply with the financial reporting provisions of Australian Charities and Not-for-profits Commissions Act 2012. As a result, the financial report may not be suitable for another purpose.

#### **Responsibilities of Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Regulations 2013 and the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 the the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

## First Nations Foundation

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### Independent Audit Report to the members of First Nations Foundation Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Banks Group Assurance Pty Ltd, Chartered Accountants  
Authorised audit company number 294178 (ACN 115 749 598)

Andrew Fisher FCA, Partner  
Registration number 306364

Melbourne, Australia

04 September 2018