

**NSWALC EMPLOYMENT & TRAINING LIMITED**

**NSWALC EMPLOYMENT & TRAINING LIMITED**  
**A.B.N. 27 634 467 244**

**Financial Statements**  
**For the year ended 30 June 2021**

**NSWALC EMPLOYMENT & TRAINING LIMITED**

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**A.B.N. 27 634 467 244**

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# NSWALC EMPLOYMENT & TRAINING LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Directors present their report together with the financial statements of NSWALC Employment & Training Limited ("the Company") for the year ended 30 June 2021.

### General information

#### Directors

The names of the directors of NSWALC Employment & Training Limited (hereafter referred to as the Company) in office at any time during, or since the end of the year are:

<b>Names</b>	<b>Position</b>		
Glenn Johnston	Chair		
Mark McMillan	Deputy Chair		
Cecilia Anthony	Director		
Karen Cooper	Director		
Amanda McCarthy	Director	Resigned	25 <sup>th</sup> January 2021
Kate Russell	Director	Resigned	16 <sup>th</sup> March 2021
Kate Russell	Director	Appointed	20 <sup>th</sup> April 2021

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

There are no directors who have an interest in the shares of the Company.

#### Principal Activities

NSWALC Employment and Training Ltd (NET), trading as Yilabara Solutions, is a subsidiary of the NSW Aboriginal Land Council. A company limited by guarantee with NSWALC as its sole member, NET's mission is to increase the number of Aboriginal people achieving economic independence through improved access to training and jobs in growth industries. It currently delivers Commonwealth funded VTEC services in the Sydney and Illawarra regions of NSW and is expanding to deliver mentoring in Western NSW under the NSW Government Barrangirra program

VTEC is delivered by an all Aboriginal team of mentors to connect Indigenous job seekers to a guaranteed job. Mentors work closely with job seekers to overcome barriers to employment and provide a personalised service to build resilience and achieve successful employment. The team works with service providers to support job seekers to build vocational and non-vocational capabilities.

Barrangirra is delivered by Aboriginal mentors who work closely with Aboriginal apprentices and trainees to improve their employment retention rates. NET also works closely with employers of all sizes across diverse industries to broker suitable jobs and create culturally safe workplaces for Indigenous employees.

NET plans to develop a suite of service packages and enter into regional and local partnerships with businesses and training organisations designed to support Aboriginal people to secure and stay in employment.

We actively monitor performance against our objectives and funding agreements including the placement of Aboriginal people in jobs, 26 week retention rates and training completion rates.

#### State of affairs

Apart from the matters referred to above, there were no other significant changes in the state of affairs of the Company that occurred during the period.

## NSWALC EMPLOYMENT & TRAINING LIMITED

### Events subsequent to reporting date

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

### Likely developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

### Member Guarantee

The total guarantee by members of the company at 30 June 2021 is \$20 (1 member x \$20).

### Meetings of directors

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Number Eligible to Attend	Number Attended
Glenn Johnston	11	11
Mark McMillan	11	10
Cecilia Anthony	11	8
Karen Cooper	11	10
Amanda McCarthy	6	5
Kate Russell	10	8

### Directors Qualifications and Experience

**Glenn Johnston (Chair)** is a proud Darug man from Western Sydney.

Glenn has more than 30 years of commercial, procurement and logistics leadership experience in both private and public sector and is a nationally recognised, passionate advocate for Aboriginal business development and employment.

He is a Director and Deputy Chair at Supply Nation and a Director of the AIATSIS Foundation Board. Currently employed by Transport for NSW as the Director, Procurement Sustainability with a focus on the positive social, economic and environmental impacts that procurement can deliver.

**Professor Mark McMillan (Deputy Chair)** is a Wiradjuri man from Trangie, NSW.

Mark McMillan is a Wiradjuri man from Trangie. Until recently Mark was a Professor of Law at two Australian Universities. He recently moved to the private sector as CEO and Partner of two Aboriginal owned businesses. He serves on the Board of the Trangie Local Aboriginal Land Council.

Mark holds a Bachelor of Laws (ANU); Graduate Diploma in Legal Practice (ANU); Master of Laws (Univ of Arizona) and a Doctor of Juridical Science (Univ of Arizona); and Graduate Certificate in Wiradjuri Language, Culture and Heritage (CSU).

**Cecilia Anthony (Director)** is a strategy, research and engagement expert with specialist knowledge working with and for diverse communities across a range of policy areas, including education and employment.

She is General Manager, Advisory Services at Inside Policy, an Aboriginal owned and led consultancy. Cecilia has been involved in Aboriginal policy, advocacy and affairs for more than 20 years to support equity and advancement for Aboriginal and Torres Strait Islander peoples in NSW and nationally, including as a senior advisor to the NSW Minister for Aboriginal Affairs, at the NSW Department of Aboriginal Affairs, and with National Congress of

## NSWALC EMPLOYMENT & TRAINING LIMITED

Australia's First Peoples, and as a freelance consultant. She has worked in the area of Aboriginal employment and economic development across many of her roles. At the core of her work ethic is the belief that all communities have a right to self-determination and to have their voices heard. She has recently stepped down after five years as non-Indigenous Co-Chair of Reconciliation NSW.

**Karen Cooper (Director)** is a proud Kamilaroi woman from Southwest Queensland.

Karen has extensive experience in senior leadership in both the private sector and not-for-profit organisations. She has over 25 years of experience in banking, employment and community development, most recently as CEO of RISE Ventures, a Community Development provider aimed at building capacity of local Indigenous communities and their economies.

Through her private consulting business, Karen works with Boards and Senior Executives in strategy development, organisation design, governance and leadership development. She has served on numerous RAP Committees and Advisory Groups to local and state committees. Karen holds a Master in Business Administration.

**Amanda McCarthy (Director until 25 January 2021)** is a proud Mithaka woman based in Bathurst New South Wales, Australia.

She has been involved with employment, training and development for over 10 years, using her background in human resources to drive Aboriginal Employment in both the private and public sector. She is the Director Aboriginal Cultural Affairs with the Department of Planning, Industry and Environment.

**Kate Russell (Director)** is a proud Aboriginal woman from Lake Macquarie.

Kate has been involved in employment and education programs across the public, private and non-profit sectors both in Australia and overseas. She is a member of Biraban LALC, a Board Director for the Diversity Council Australia, a Board Director for Interrelate, and the Director of the Office of the Group Deputy Secretary - Place, Design and Public Space for the Department of Planning, Industry and Environment.

Through her personal and professional experience she has seen that educational and employment pathways are key to economic empowerment. She has strong HR generalist skills, general management experience across multiple levels of government, and a thorough understanding of the VET sector. She has a Bachelor of International Studies, an MBA and an Executive Masters of Public Administration.

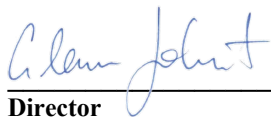
### **Auditor's independence declaration**

The auditor's independence declaration as required section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* (ACNC Act), is set out on page 5 and forms part of the directors' report for the year ended 30 June 2021.

### **Indemnification and insurance of directors and officer**

New South Wales Aboriginal Land Council holds an insurance policy that covers subsidiaries and related bodies corporate.

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

  
\_\_\_\_\_  
**Director**

  
\_\_\_\_\_  
**Director**

18/10/2021  
\_\_\_\_\_  
**Date**



To the Directors

NSWALC Employment and Training Limited

### **Auditor's Independence Declaration**

As auditor for the audit of the financial statements of the NSWALC Employment and Training Limited for the year ended 30 June 2021, I declare, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Margaret Crawford'.

Margaret Crawford  
Auditor-General for New South Wales

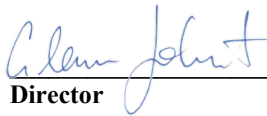
13 October 2021  
SYDNEY

## NSWALC EMPLOYMENT & TRAINING LIMITED

### STATEMENT BY DIRECTORS UNDER THE GOVERNMENT SECTOR FINANCE ACT 2018 FOR THE YEAR ENDED 30 JUNE 2021

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), I state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the Government Sector Finance Regulation 2018 and the Treasurer's directions, and
- present fairly NSWALC Employment & Training Limited's financial position, financial performance and cash flows.

  
Director

  
Director

18/10/2021  
Date

# NSWALC EMPLOYMENT & TRAINING LIMITED

## DIRECTORS' DECLARATION

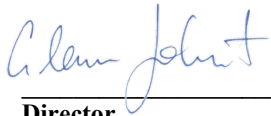
*Per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013*

The Responsible Persons declare that in the Responsible Persons' opinion:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Signed in accordance with a resolution of the directors:

  
\_\_\_\_\_

**Director**

  
\_\_\_\_\_

**Director**

18/10/2021  
\_\_\_\_\_

**Date**





## INDEPENDENT AUDITOR'S REPORT

### NSWALC Employment and Training Limited

To Members of the New South Wales Parliament and Members of NSWALC Employment and Training Limited

#### Opinion

I have audited the accompanying financial statements of NSWALC Employment and Training Limited (the Company), which comprise the Statement by Directors, directors' declaration, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Company's financial position, financial performance and cash flows
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Company in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

## **Directors' Responsibilities for the Financial Statements**

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions, *the Australian Charities and Not-for-Profits Commission Act 2012*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing 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.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Company carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Margaret Crawford  
Auditor-General for New South Wales

19 October 2021  
SYDNEY

**NSWALC EMPLOYMENT & TRAINING LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>Income</b>			
Revenue from grants	11	1,009,760	550,698
Revenue from contracts with customers	11	270,369	-
Rebates received	11	117,315	27,025
Other Income	11	19,681	8,231
<b>Total revenue from continuing operations</b>		<b>1,417,125</b>	<b>585,954</b>
<b>Expenditure</b>			
Auditors' remuneration	12	(28,000)	(6,000)
Employee benefits expenses	13	(768,566)	(179,459)
Depreciation expense	15	(26,743)	-
Other expenses	14	(329,542)	(35,428)
<b>Total expenses from continuing operations</b>		<b>(1,152,851)</b>	<b>(220,887)</b>
<b>Surplus/(Deficit) from continuing operations before income tax expense</b>		<b>264,274</b>	<b>365,067</b>
<b>Income tax expense</b>		<b>-</b>	<b>-</b>
<b>Surplus/(Deficit) from continuing operations</b>		<b>264,274</b>	<b>365,067</b>
<b>Total Comprehensive Income</b>		<b>264,274</b>	<b>365,067</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**NSWALC EMPLOYMENT & TRAINING LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	748,967	417,013
Trade and other receivables	3	102,208	84,096
<b>TOTAL CURRENT ASSETS</b>		<u>851,175</u>	<u>501,109</u>
<b>NON-CURRENT ASSETS</b>			
Right-of-use Assets	5	38,873	-
Property, Plant and Equipment	4	35,634	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>74,507</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>925,682</u>	<u>501,109</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	235,065	119,960
Lease Liability	6	29,225	-
Provisions	16	22,114	16,082
<b>TOTAL CURRENT LIABILITIES</b>		<u>286,404</u>	<u>136,042</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease Liability	6	9,937	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>9,937</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>296,341</u>	<u>136,042</u>
<b>NET ASSETS (LIABILITIES)</b>		<u>629,341</u>	<u>365,067</u>
<b>EQUITY</b>			
Retained Earnings		629,341	365,067
<b>TOTAL EQUITY</b>		<u>629,341</u>	<u>365,067</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

**NSWALC EMPLOYMENT & TRAINING LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	<b>Retained</b>	<b>Retained</b>
	<b>Earnings</b>	<b>Earnings</b>
Total equity at the beginning of the period	365,067	-
Surplus/(Deficit) for the period	264,724	365,067
Total equity at the end of the period	<b>629,341</b>	<b>365,067</b>

**The above statement of changes in equity should be read in conjunction with the accompanying notes.**

**NSWALC EMPLOYMENT & TRAINING LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Grants	1,255,101	495,000
Other Receipts	164,021	22,379
Employee Related Expenses	(766,233)	-
Interest expense on lease liabilities	(950)	-
Payments to Suppliers	(258,847)	(100,366)
<b>Net cash inflow from operating activities</b>	<b>393,092</b>	<b>417,013</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of principal portion of lease liabilities	(18,198)	-
<b>Net cash provided by financing activities</b>	<b>(18,198)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(42,940)	-
<b>Net cash outflow from investing activities</b>	<b>(42,940)</b>	<b>-</b>
Net Increase/(Decrease) in cash held	331,954	417,013
Cash and cash equivalent at the beginning of the period	417,013	-
Cash and cash equivalent at the end of the period	<b>748,967</b>	<b>417,013</b>

**The above statement of cash flows should be read in conjunction with the accompanying notes.**

**NSWALC EMPLOYMENT & TRAINING LIMITED**  
**Notes to and forming part of the Financial Statements for the year ended 30 June 2021**

**1. REPORTING ENTITY**

NSWALC Employment & Training Limited is a controlled entity of New South Wales Aboriginal Land Council. NSWALC is a Statutory Body constituted by the *Aboriginal Land Rights Act 1983*.

NSWALC Employment & Training Limited is a not-for-profit entity and was designed to mobilise the Aboriginal workforce and support them to obtain the necessary training to obtain employment in the infrastructure construction and aged care and disability services sectors.

NSWALC Employment & Training Limited is a reporting entity.

**BASIS OF PREPARATION**

*(a) Basis of preparation of accounts*

The financial statements of the Company are general purpose financial statements which have been prepared on an accrual basis in accordance with:

- Applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- The requirements of the *Government Sector Finance Act 2018* (the Act), *Government Sector Finance Regulation 2018* and Treasurer's Directions issued under the Act; and
- The *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* and *Australian Charities and Not-for-profits Commission Regulation 2013 (Cth)*.

*(b) Statement of compliance*

The Company complied with the legislative requirements and other authoritative pronouncements stated under the 'Basis of preparation of accounts' throughout the period in the preparation and the final presentation of the Financial Statements.

*(c) Profit status of the Company*

The Company has assessed and formally noted its profit status for the year ended 30 June 2021 and determined its status as not-for-profit for financial reporting purposes. The Company has been granted income tax exemption with the Australian Taxation Office.

*(d) Basis of measurement*

The financial statements have been prepared on the historical cost basis.

*(e) Functional and presentation currency*

These financial statements are presented in Australian dollars, which is the Company's functional currency.

*(f) Critical estimates*

The preparation of financial statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

For the year ended 30 June 2021, there were no significant estimates, judgements or assumptions made in preparation of the Financial Statements.

**NSWALC EMPLOYMENT & TRAINING LIMITED**  
**Notes to and forming part of the Financial Statements for the year ended 30 June 2021**

(g) *Comparative Period*

The comparative period for this entity reflects from 28 June 2019 to 30 June 2020. Any references to 2020 in this report reflects this mentioned period.

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>2 Cash and Cash Equivalents</b>		
Cash at Bank	<u>748,967</u>	<u>417,013</u>
<b>Reconciliation to Statement of Cash Flows</b>		
Cash and Cash equivalents reported in the cash flow statement are reconciled to the equivalent items in the Statement of Financial Position as follows:		
Cash at bank	<u>748,967</u>	<u>417,013</u>
<b>3 Trade and Other Receivables</b>		
Trade Receivable	82,099	57,071
Rebates Receivable - Australian Taxation Office	-	27,025
Prepayments	<u>20,109</u>	<u>-</u>
Total Trade and Other Receivables	<u><b>102,208</b></u>	<u><b>84,096</b></u>
<b>4 Property, Plant and Equipment</b>		
Furniture & Fittings	6,768	-
Less: Accumulated Depreciation	<u>(1,612)</u>	<u>-</u>
Total Furniture & Fittings	<u>5,156</u>	<u>-</u>
Computer Equipment	36,172	-
Less: Accumulated Depreciation	<u>(5,694)</u>	<u>-</u>
Total Computer Equipment	<u>30,478</u>	<u>-</u>
Total Property, Plant and Equipment	<u><b>35,634</b></u>	<u>-</u>
<b>5 Right of Use</b>		
Right of Use	58,310	-
Less: Accumulated Depreciation	<u>(19,437)</u>	<u>-</u>
Total Right of Use Asset	<u><b>38,873</b></u>	<u>-</u>
<b>6 Lease Liability</b>		
<b>Current</b>		
Lease Liability	29,225	-
<b>Non-Current</b>		
Lease Liability	<u>9,937</u>	<u>-</u>
Total Lease Liability	<u><b>39,162</b></u>	<u>-</u>



**NSWALC EMPLOYMENT & TRAINING LIMITED**  
**Notes to and forming part of the Financial Statements for the year ended 30 June 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>7 Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	118,955	17,507
Other Creditors	67,170	-
Superannuation Payable	18,237	9,966
Wages Payable	11,522	23,493
Accrued Expenses	19,181	68,994
Total Trade and Other Payables	<b>235,065</b>	<b>119,960</b>

**8. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements.

*(a) Revenue recognition*

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company, and specific criteria have been met for each of the Company's activities as described below.

The Company shall disaggregate revenue recognised under AASB 15 and AASB 1058 into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Revenue from contracts with customers under AASB 15 must be disclosed separately from other sources of revenue.

AASB 15 applies to contracts with customers that are enforceable and sufficiently specific. If the contract does not meet these criteria, an entity shall consider the requirements of AASB 1058 in accounting for such contracts.

*(i) Grants*

The Company receives grants from State/Commonwealth Government or third parties. Grant income is to be recognised in accordance with applicable accounting standards. For transactions within the scope of AASB 1058 *Income of Not-for-Profit Entities*, an entity shall recognise income immediately in profit or loss for the excess of the initial carrying amount of an asset over the related amounts recognised in accordance with the other standards.

*(ii) Revenue from contracts with customers*

According to AASB 15, revenue shall be recognised when the Company satisfies a performance obligation by transferring a promised good or service (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset:

- For each performance obligation identified in a contract, the Company shall determine at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time.

## NSWALC EMPLOYMENT & TRAINING LIMITED

### Notes to and forming part of the Financial Statements for the year ended 30 June 2021

- The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the Company performs; (b) the Company's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.
- For each performance obligation satisfied over time, the Company shall recognise revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The objective when measuring progress is to depict an entity's performance in transferring control of goods or services promised to a customer (ie the satisfaction of an entity's performance obligation).
- The Company shall apply a single method of measuring progress for each performance obligation satisfied over time and the Company shall apply that method consistently to similar performance obligations and in similar circumstances. At the end of each reporting period, the Company shall remeasure its progress towards complete satisfaction of a performance obligation satisfied over time.
- If a performance obligation is not satisfied over time, the Company satisfies the performance obligation at a point in time. Revenue should be recognised at the point in time at which a customer obtains control of a promised asset and the Company satisfies a performance obligation.

#### (b) Expenses

All expenses incurred on an accrual basis are recognised as expenditure for the year to the extent that the Company has benefited by receiving goods or services and the expenditure can be reliably measured.

##### (i) Employee expenses

Employee expenses include salaries and wages for the year, workers compensation insurance premium for the year, 9.50% defined contribution superannuation for employees. Annual leave and long service leave expenses are charged as stated in Note 8 (d) (ii).

##### (ii) Insurance expenses

The Company holds via New South Wales Aboriginal Land Council insurance policies covering subsidiaries and related bodies corporate insurance covering property, public liability and other contingencies. Workers compensation is held in the right of the Company. After analysing the insurable risks, the Company has taken necessary insurance cover against these risks. The premium is determined by the Insurer.

##### (iii) Depreciation expenses

Depreciation expenses are charged as stated in Note 8 (c) (iii)

#### (c) Assets

##### (i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. The Company has no bank overdrafts.

## NSWALC EMPLOYMENT & TRAINING LIMITED

### Notes to and forming part of the Financial Statements for the year ended 30 June 2021

#### (ii) Receivables

Receivables include other receivables. Other receivables (including loans) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

#### Recognition and Measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component or with no stated interest rate are measured at the transaction price, being the original invoice amount, as the effect of discounting is immaterial.

#### (iii) Depreciation & Amortisation

#### Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

The entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### Capitalisation Thresholds

Property, plant and equipment and intangible assets costing \$1,000 (\$1,000 in 2020-21) and above individually (or forming part of a network costing more than \$1,000) are capitalised.

#### Depreciation of Property, Plant and Equipment

Depreciation is provided on a diminishing value basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Company.

All material separately identifiable components of assets are depreciated over their respective useful lives.

The depreciation rates used for each class of depreciable assets for the estimated useful lives are:

Class of Fixed Assets	Depreciation Rate	Useful Life
Furniture and Fittings	40%	5 years
Computer Equipment	40%	5 years

Useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### (d) Liabilities

##### (i) Payables

These amounts represent liabilities for goods and services provided to the Company. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at

## NSWALC EMPLOYMENT & TRAINING LIMITED

### Notes to and forming part of the Financial Statements for the year ended 30 June 2021

amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

#### (ii) Employee Benefits and Other Provisions

- Salaries and Wages, Annual Leave and On-Costs

Liabilities for salaries and wages (including non-monetary benefits) and annual leave that are expected to be due wholly within twelve months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at nominal amount based on the amounts expected to be paid when the liabilities are settled.

Annual leave is not wholly expected to be settled within twelve months and is measured at present value in accordance with AASB 119 *Employee Benefits*.

- Other Provisions

Other provisions exist when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### (e) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except when:

- The amount of GST incurred by the Company as a purchaser which is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office are classified as operating cash flows.

#### (f) Tax exemptions

The Company is a Public Benevolent Institution (PBI) under the *Income Tax Assessment Act 1997*. Therefore, the Company is exempt from income tax from date of incorporation. The Company is also exempt from the Payroll Tax under *Payroll Tax Act 2007*.

#### (g) New Australian Accounting Standards effective for the first time in the current financial year

The Company 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.

#### AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 is effective for the entity from 1 July 2020. At the same time NSW Treasury Policy and Guideline Paper TPP 06-8: Accounting for Privately Financed Projects (TPP 06-8) was withdrawn effective from 1 July 2020.

## NSWALC EMPLOYMENT & TRAINING LIMITED

### Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Service Concession Arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services.

Where AASB 1059 applies, the grantor recognises the service concession asset when the grantor obtains control of the asset and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both.

Where AASB 1059 applies, the entity should adopt the modified retrospective approach permitted under AASB 1059 by recognising and measuring service concession assets and related liabilities at the date of initial application of 1 July 2019, with any net adjustments to the amounts of assets and liabilities recognised in accumulated funds at that date.

The Company currently does not have service concession arrangements. Therefore, AASB 1059 is not applicable to the Company for 30 June 2021 reporting period.

#### (h) *New Australian Accounting Standards issued but not yet effective*

At the date of authorisation of the financial statements, the Standards and Interpretations listed in Note 22 were issued but not yet effective. NSW Treasury has mandated not to early adopt any of the new Standards / Interpretations through Treasury Circular.

## 9. FAIR VALUE MEASUREMENT

A number of accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used, maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The Company categorises, for disclosure purposes, the valuation techniques based on the inputs grouped into three levels of fair value hierarchy as follows:

- Level 1 – quoted prices in active markets for identical assets/liabilities that the Company can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### (i) Other receivables

The fair value of other receivables is based on the net realisable value after considering any possible risks of impairment. All other receivables, after impairment, are expected to be received within a short period of time and considered as fair values.

#### (ii) Trade and other payables

Trade and other payables are expected to be paid within a short period of time and considered as fair values.

When applicable, further information about the assumptions made in determining fair values are disclosed in the notes specific to the asset or liability.

**NSWALC EMPLOYMENT & TRAINING LIMITED**  
**Notes to and forming part of the Financial Statements for the year ended 30 June 2021**

**10. FINANCIAL RISK MANAGEMENT**

The Company has exposure to the following risks from the use of financial instruments:

- a. Credit risk
- b. Liquidity risk
- c. Market risk
- d. Operational risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies, and processes for measuring and managing risk and their management of capital. Further quantitative disclosures are included through these financial statements.

*Risk Management Framework*

The Company's principal financial instruments comprise of cash and short-term deposits. The main purpose of these financial instruments is to fund the Company's operations and its future sustainability. The Company has various other financial instruments such as debtors and trade creditors, which arise directly from its operations. The main risks arising from the Company's financial instruments are credit risk, liquidity risk and interest rate risk. The Company reviews and agrees policies for managing each of these risks and they are summarised below.

*(a) Credit Risk*

Credit risk is the risk of financial loss to the Company if a Company's debtor or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from the financial assets of the Company, including cash and receivables. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

*(i) Cash*

Cash comprises cash on hand and bank balances. It is the Company's practice to deal with banks with the highest ratings. The Company monitors the financial stability of the banks that hold its funds, by reviewing the credit rating of the banks and compliance with the Company's policies.

*(ii) Receivables*

The Company's exposure to credit risks is influenced mainly by the individual characteristics of each debtor. The Company has statutory debts and other debts.

*(b) Liquidity Risk*

Liquidity risk is the risk that the Company will be unable to meet its payment obligations when they fall due. The Company continuously manages the risk through monitoring and planning future cash flows and (maturities planning) to ensure adequate holding of liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of appropriate investment strategies.

The liquidity risk that might arise from various classes of financial assets held by the Company and its management is explained under the credit risk of each class of financial asset.

During the current period, there were no defaults or breaches on any amounts payable to creditors. No assets have been pledged as collateral. The Company's exposure to liquidity risk is deemed insignificant based on a current assessment of risk.

## NSWALC EMPLOYMENT & TRAINING LIMITED

### Notes to and forming part of the Financial Statements for the year ended 30 June 2021

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW Treasury Circular (NSWTC11-12 *Payment of Accounts*). If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. NSWTC11-12 allows the Minister to award interest for late payment. No interest was paid during the year.

#### (c) Operational Risk

The Company manages its operational risk which mainly affects the Aboriginal community as part of the risk management strategy which includes political, culture and heritage, social, environmental and economic risks. Operational risk is the direct and indirect losses arising from a wide variety of causes associated with the Company's processes, personnel, technology, legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damages to the Company's reputation with overall cost effectiveness and enforce control procedures to comply with legislative requirements.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management and managers within the business. The responsibility is supported by the development of standards, policies and procedures in the following areas:

- Requirements for appropriate segregation of duties, including the authorisation of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic reporting to senior management, relevant committees and the Company;
- Training and professional development; and
- Risk mitigation, including insurance where this is effective.

#### 11. GRANTS & OTHER INCOME

	2021	2020
	\$	\$
Grants Received	1,009,760	550,698
Contracts with customers	270,369	-
Other Income	19,681	8,231
ATO Rebates	117,315	27,025
Total Grants & Other Income	<u>1,417,125</u>	<u>585,954</u>

Grants received include \$1,110,736 inclusive of GST from a related entity – New South Wales Aboriginal Land Council. We note that not all grants have been recognised as income during the financial year.

#### 12. AUDITORS' REMUNERATION

	2021	2020
	\$	\$
Audit Fees	28,000	6,000

## NSWALC EMPLOYMENT & TRAINING LIMITED

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

### 13. EMPLOYEE BENEFITS EXPENSES

	2021	2020
	\$	\$
Annual Leave	11,257	5,922
Staff Training	21,528	850
Superannuation	58,035	13,226
Staff Amenities	2,084	-
Workers Compensation Insurance	1,892	3,010
Wages	673,770	156,452
<b>Total Employee Benefits Expenses</b>	<b>768,566</b>	<b>179,460</b>

### 14. OTHER EXPENSES

	2021	2020
	\$	\$
Consultants Fees	72,617	10,200
Computer Expenses	24,264	7,490
Program Expenses	62,968	1,524
Telephone	12,892	4,786
Travelling Expenses	2,034	168
Recruitment Expenses	21,647	-
Professional Fees	54,147	7,866
Other Expenses	78,973	3,394
<b>Total Other Expenses</b>	<b>329,542</b>	<b>35,428</b>

### 15. DEPRECIATION

	2021	2020
	\$	\$
Depreciation Expense	26,743	-

### 16. PROVISIONS

	2021	2020
	\$	\$
<b>Current Employee benefits and related on costs</b>		
Provision for Annual Leave	22,114	16,082
	<b>22,114</b>	<b>16,082</b>

### 17. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET SURPLUS

	2021	2020
	\$	\$
<b>Operating Surplus/(Deficit) from Ordinary Activities</b>	264,274	365,067
<b>Other Changes in Assets and Liabilities in respect of Ordinary Activities</b>		
Depreciation	26,743	-
Increase/(Decrease) in Leave and Other Provisions	6,032	16,083
Decrease/(Increase) in Receivables/Prepayments	(18,112)	(84,096)
Increase/(Decrease) in Creditors/Payables	114,155	119,959
<b>Net Cash Inflows from Ordinary Activities</b>	<b>393,092</b>	<b>417,013</b>



**NSWALC EMPLOYMENT & TRAINING LIMITED**  
**Notes to and forming part of the Financial Statements for the year ended 30 June 2021**

**18. FINANCIAL INSTRUMENTS**

The carrying amounts of the Company's principal financial instruments are outlined below. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**Financial Instrument Categories**

As at 30 June 2021

Financial Assets*	Note	Category	Carrying Amount
<b>Class:</b>			
Cash and Cash Equivalents	2	N/A	748,967
Receivables	3	Amortised cost	82,099

\*Excludes statutory receivables and prepayments

Financial Liabilities*	Note	Category	Carrying Amount
<b>Class:</b>			
Payables	7	Financials liabilities measured at amortised cost	118,955
Lease Liability – Current	6	Financials liabilities	29,225
Lease Liability – Non-Current	6	Financials liabilities	9,937
Wages Payable	7	Financials liabilities	11,522
Credit Card	7	Financials liabilities	4,758

\*Excludes statutory payables and unearned revenue

**(a) Credit Risk**

The Company's maximum exposure to credit risk at the reporting date was:

- (i) Receivables – Debtors

**Accounting policy for impairment of trade debtors and other financial assets**

Collectability of trade debtors is reviewed on an ongoing basis. Procedures were established to recover outstanding amounts, including letters of demand.

The Company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, a failure to make contractual payments for a period of greater than 90 days past due.

**NSWALC EMPLOYMENT & TRAINING LIMITED**  
**Notes to and forming part of the Financial Statements for the year ended 30 June 2021**

The table below summarises the maturity profile of the Company's financial liabilities, together with the interest rate exposure.

<i>Maturity analysis and interest rate exposure of financial liabilities</i>					
	Interest Rate Exposure		Maturity Dates		
	Nominal Amount	Non-interest Bearing	<1 year	1-5 years	>5 years
<b>2021</b>					
Payables	118,955	118,955	118,955	-	-
Credit Card	4,758	-	4,758	-	-
Lease Liabilities	39,162	-	29,225	9,937	-
	<b>162,875</b>	<b>118,955</b>	<b>123,713</b>	<b>9,937</b>	<b>-</b>

**(b) Market risk**

(i) Interest rate risk

The table below summarises the Financial Assets of the company together with the potential impact of an increase or decrease in interest rate.

	Carrying Amount	-1% Profit	Equity	+1% Profit	Equity
<b>2021</b>					
<b>Financial Assets</b>					
Cash and Cash Equivalents	748,967	-7,480	740,487	7,480	756,447

**19. RELATED PARTY DISCLOSURES**

The Company's key management personnel (KMP) compensation are as follows:

	2021 \$	2020 \$
Short-term employee benefits:		
Salaries & Superannuation	201,189	22,508
Non-monetary Benefits*	36,674	-
<b>Total Remuneration</b>	<b>237,863</b>	<b>22,508</b>

\*In 2020-21, NSWALC Employment & Training Limited provided Motor Vehicles to KMP's and \$36,674 is the Total Reportable Car Fringe Benefits provided to KMPs (2020 comparative – nil).

During the year, the Company did enter into transactions on arm's length terms and conditions with KMP, their close family members and controlled or jointly controlled entities thereof. Cooper Consulting owned by board director Karen Cooper was engaged to deliver consulting services to the value of up to \$52,400 excluding GST. The services provided were delivered on commercial terms with full knowledge of the Board.

**NSWALC EMPLOYMENT & TRAINING LIMITED**  
**Notes to and forming part of the Financial Statements for the year ended 30 June 2021**

**20. CHANGES TO ACCOUNTING STANDARDS**

Certain new accounting standards and interpretations have been published that are not mandatory for the reporting period. The Company did not early adopt these Accounting Standards and Interpretations that are not yet effective. It is not expected that these changes will have a material impact on comparative and future year results.

<b>Standards/Interpretations</b>	<b>Issue Date</b>	<b>Operative Date</b>
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	Mar-20	1/07/2021
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	Mar-20	1/01/2023
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments	Jun-20	1/01/2022
AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	Aug-20	1/01/2022
AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures	Aug-20	1/07/2021
AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2	Sep-20	7/01/2021

**21. EVENT AFTER THE BALANCE DATE**

There are no known events after the balance date.

**End of Audited Financial Statement**