



**RECONCILIATION**  
AUSTRALIA

**Reconciliation Australia Limited**

**ABN 76 092 919 769**

**Annual Report**

**for the financial year ended 30 June 2022**



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## Directors' report

The directors of Reconciliation Australia Limited (Reconciliation Australia) submit herewith the annual report of the company for the financial year ended 30 June 2022.

### Directors

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

<b>Name</b>	<b>Particulars</b>
Professor Thomas E. Calma AO <i>Hon DLitt, Hon DSc, Hon DUniv</i>	Professor Calma is an Aboriginal elder from the Kungarakan tribal group and a member of the Iwaidja tribal group in the Northern Territory. He is currently the Chancellor of the University of Canberra. Professor Calma holds board positions with Ninti One and the Australia Literacy and Numeracy Foundation. He was previously the Co-Chair of the Senior Advisory Group of the Indigenous Voice co-design process, and served as the Aboriginal and Torres Strait Islander Social Justice Commissioner and the Race Discrimination Commissioner.
Ms Melinda A. Cilento <i>BA, BEc (Hons), MEc</i>	Ms Cilento is CEO of the Committee for Economic Development of Australia (CEDA) and a non-executive director of Australian Unity. She was previously a non-executive director of Woodside Petroleum and has held senior management and economist roles at the Productivity Commission, Business Council of Australia, International Monetary Fund and the Commonwealth Department of Treasury.
Mr Kenny R. Bedford <i>BAppHSc, DipYW</i>	Mr Bedford is of the Meuram tribe of Erub Island in the Torres Strait. He is a Director of My Pathway, Debe Mekik Le Consultancy, a member of the National NAIDOC Committee and a Community Network Lead of the From the Heart Campaign. Mr Bedford was previously the President of the Erub Fisheries Management Association and on the board of the Torres Strait Regional Authority.
Ms Sharon L. Davis <i>BEd, MSc (Oxon.)</i>	Ms Davis is from the Bardi and Kija Peoples of the Kimberley and is the Director of Education at the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS). She is a director of the Stronger Smarter Institute and previously led Aboriginal education with Catholic Education Western Australia.
Mr Doug A. Ferguson <i>BBA (Accounting) FCA</i>	Mr Ferguson is a Partner with KPMG and is currently the NSW Chairman and Head of Asia and International Markets. He is an Adjunct Professor at the University of Sydney Faculty of Business, a director of the Committee for Sydney, and a member of the Asia Society Australia and the Business Council of Australia's International Leadership Group.
Dr Blaze J. Kwaymullina <i>BA (History), M.C.J., PhD (English)</i>	Dr Kwaymullina is a Palyku Traditional Owner from the Pilbara region of Western Australia. He is an academic, writer, children's author and business owner, having established a small group of profit for purpose, social enterprise and not-for-profit entities. Dr Kwaymullina was previously Associate Dean of Teaching and Learning and Associate Dean of Research for the School of Indigenous Studies at the University of Western Australia (UWA). He is also an Advisory Committee Member for the Dilin Duwa Centre for Indigenous Business Leadership. Dr Kwaymullina was appointed as director on 25 November 2021.

<b>Name</b>	<b>Particulars</b>
Mr Bill D. Lawson AM <i>BEng</i>	Mr Lawson is a retired engineer, most recently working as a Principal at Sinclair Knight Merz. Mr Lawson was previously the Co-Chair of Reconciliation Tasmania, and the Tasmanian representative on the Prime Minister's Expert Panel for the Recognition of Indigenous Australians. He is also the founder of the Beacon Foundation.
Ms Kirstie M. Parker	A Yuwallarai woman from northwest NSW, Ms Parker is the Director of Aboriginal Affairs and Reconciliation with the Department of Premier and Cabinet (SA). She was previously the CEO of the National Centre of Indigenous Excellence and Co-Chair of the National Congress of Australia's First Peoples. Ms Parker has over 25 years' experience in journalism and management of Indigenous organisations, including as the Editor of the Koori Mail.
Ms Joy Thomas	Ms Thomas comes from a background in federal politics, serving for many years as an adviser and chief of staff to ministers in the Howard Government. She previously held senior management positions with the Australian Medicare Local Alliance (AML Alliance) and Australian General Practice Network (AGPN). Ms Thomas works as a private consultant to peak industry bodies across the agriculture, water and energy sectors.

The above named directors held office during the whole of the financial year and since the end of the financial year except for:

- Dr Blaze Kwaymullina who was appointed as director on 25 November 2021.

### **Company secretaries**

Ms Karen Mundine (Chief Executive Officer) has been the Company Secretary since 18 September 2017. She is from the Bundjalung Nation of northern NSW and has more than 20 years' experience leading community engagement, public advocacy, communications and social marketing campaigns. Ms Mundine holds a Bachelor of Arts in Communications and is a director of Gondwana Choirs and the Australian Indigenous Leadership Centre.

Ms Kathryn O'Meara (Finance Manager) was appointed as an additional Company Secretary on 6 November 2020. She has extensive financial management and corporate governance experience working in a range of industries including professional services, corporate multi-nationals, and not-for profit. Ms O'Meara holds a Bachelor of Commerce (Accounting) and is a member of the Chartered Accountants in Australia and New Zealand.

### **Short and long term objectives and strategy**

Reconciliation Australia is the lead body for reconciliation in the nation. The company is an independent, not-for-profit organisation that promotes and facilitates reconciliation by building relationships, respect and trust between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians.

Our purpose is to inspire and enable all Australians to contribute to the reconciliation of our nation. Our vision of a just, equitable and reconciled Australia and is based on five inter-related dimensions: race relations, equality and equity, unity, institutional integrity, and historical acceptance.

### **Principal activities**

During the year, Reconciliation Australia was involved in a range of programs and projects aimed at that promoting and facilitating reconciliation by building relationships, respect and trust between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians. This included:

- Reconciliation Action Plan (RAP) program
- Indigenous Governance Program
- Narragunnawali: Reconciliation in Education
- National Reconciliation Week
- Australian Reconciliation Barometer
- Constitutional Reform and Truth Telling

### **Review of operations**

The result of Reconciliation Australia's operations in the current year was a surplus of \$1,718,085 (surplus of \$314,213 in 2021).

Reconciliation Australia's general operational activities were primarily funded by the Commonwealth Government, through the National Indigenous Australians Agency. Funding was also received from the BHP Foundation, corporate supporters and private donors.

In preparing these financial statements the directors have considered the impact of the COVID-19 pandemic. The directors are of the opinion that COVID-19 related circumstances have not materially impacted the company's performance, current year financial results or future outlook. Reconciliation Australia was able to ensure that its operations were not adversely impacted by using remote work arrangements and digital delivery mechanisms as required.

### **Changes in the state of affairs**

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

### **Subsequent events**

On 13 July 2022 the company extended its office premises at 94-96 Cooper St Surry Hills by signing a new lease for 200 square metres on the first floor of the building. Commencing 1 August 2022, the lease has a one-year term and a rental cost of \$10,484 per month.

On 25 August 2022 the directors approved the purchase of \$1,250,000 of Australian Stock Exchange listed hybrid fund securities, issued by the four major Australian banks. In line with the company's Investment Policy Statement this purchase aims to maximise investment returns in a low risk environment. As at the date of this report \$1,064,871 of securities have been purchased.

There has been no other matters or circumstances occurring subsequent to the financial year that has 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 years.

### **Environmental regulation and performance**

Reconciliation Australia is not subject to any particular or significant environmental regulation.

### **Indemnification of officers and auditors**

During the financial year, Reconciliation Australia paid a premium in respect of a contract insuring the directors of Reconciliation Australia (as named above), the company secretaries, the Chief Executive Officer and all executive officers of Reconciliation Australia against a liability incurred as such a director,

secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the amount of the premium.

Reconciliation Australia has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of Reconciliation Australia against a liability incurred as such an officer or auditor.

**Directors’ meetings**

The following table sets out the number of directors’ meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

During the financial year four board meetings and five audit and risk committee meetings were held.

Director	Board of directors		Audit and risk committee	
	Held	Attended	Held	Attended
Mr K. R. Bedford	4	3	5	3
Prof. T. E. Calma AO	4	4	5	4
Ms M. A. Cilento	4	4	5	5
Ms S. L. Davis	4	4	-	-
Mr D. A. Ferguson	4	4	5	5
Dr B. J. Kwaymullina	3	3	-	-
Mr W. D. Lawson AM	4	4	5	5
Ms K. M. Parker	4	4	-	-
Ms J. Thomas	4	4	-	-

**Members’ guarantee**

In accordance with Reconciliation Australia’s constitution, each member is liable to contribute \$1 in the event that the company is wound up. The total amount members would contribute is \$9.

**Auditor’s independence declaration**

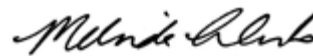
The auditor’s independence declaration is included on page 7 of this financial report.

The directors’ report is signed in accordance with a resolution of directors.

On behalf of the directors:



Professor Thomas Calma AO  
Director



Ms Melinda Cilento  
Director

25 October 2022

The Board of Directors  
Reconciliation Australia Limited  
Old Parliament House  
King Georges Terrace  
Parkes ACT 2600

25 October 2022

Dear Directors

Auditor's Independence Declaration to Reconciliation Australia Limited

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Reconciliation Australia Limited.

As lead audit partner for the audit of the financial report of Reconciliation Australia Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements 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.

Yours faithfully

*DELOITTE TOUCHE TOHMATSU*

DELOITTE TOUCHE TOHMATSU

*David Salmon*

David Salmon  
Partner  
Chartered Accountants

## Independent Auditor's Report to the members of Reconciliation Australia Limited

### *Opinion*

We have audited the financial report of Reconciliation Australia Limited (the "Entity") which comprises the statement of financial position as at 30 June 2022, 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 other explanatory information, and the declaration by the directors.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities 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 Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 the Entity's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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.



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

The directors of the 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 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 the ability of the Entity 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 Entity or to cease operations, or has no realistic alternative but to do so.

### *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.

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial 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.

*DELOITTE TOUCHE TOHMATSU*

DELOITTE TOUCHE TOHMATSU

*David Salmon*

David Salmon  
Partner  
Chartered Accountants  
Canberra. 25 October 2022

## Directors' declaration

The directors declare that:

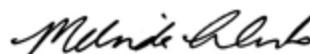
- (a) in the directors' opinion, there are reasonable grounds to believe that Reconciliation Australia will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes there to, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to s. 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the directors:



Professor Thomas Calma AO  
Director



Ms Melinda Cilento  
Director

25 October 2022

## Statement of profit or loss and other comprehensive income for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	4	9,828,520	6,581,193
Investment income	5	68,884	61,401
Other gains and losses	6	(14,053)	(25,053)
Employee benefits expense		(3,813,420)	(3,659,935)
Consultants and outside services expense		(338,300)	(326,154)
Communications and marketing expense		(2,295,594)	(1,530,163)
Workshops and events expense		(1,067,492)	(368,843)
Travel and accommodation expense		(230,167)	(52,803)
Office communications and supplies expense		(35,633)	(28,750)
Office facilities and utilities expense		(71,977)	(53,731)
Depreciation and amortisation expense		(258,685)	(261,278)
Finance costs	5	(18,048)	(12,482)
Other expenses		(35,950)	(9,189)
<b>Surplus before tax</b>		<b>1,718,085</b>	314,213
Income tax expense		-	-
<b>Surplus for the year from continuing operations</b>		<b>1,718,085</b>	314,213
Other comprehensive income for the year		-	-
<b>Surplus for the year</b>		<b>1,718,085</b>	314,213

*This statement of profit or loss and other comprehensive income is to read in conjunction with the attached notes.*

## Statement of financial position

as at 30 June 2022

	Note	2022 \$	2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,022,912	1,330,307
Trade and other receivables	7	323,614	163,491
Other financial assets	8	8,578,669	2,789,859
Other assets	9	174,002	160,809
<b>Total current assets</b>		<b>10,099,197</b>	<b>4,444,466</b>
<b>Non current assets</b>			
Property, plant and equipment	10	130,360	161,594
Right-of-use assets	11	288,251	331,231
<b>Total non current assets</b>		<b>418,611</b>	<b>492,825</b>
<b>Total assets</b>		<b>10,517,808</b>	<b>4,937,291</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	617,039	242,461
Lease liabilities	13	200,177	123,381
Provisions	14	315,345	289,602
Contract liabilities	15	4,351,362	895,260
<b>Total current liabilities</b>		<b>5,483,923</b>	<b>1,550,704</b>
<b>Non current liabilities</b>			
Lease liabilities	13	107,289	220,775
Provisions	14	184,377	141,678
<b>Total non current liabilities</b>		<b>291,666</b>	<b>362,453</b>
<b>Total liabilities</b>		<b>5,775,589</b>	<b>1,913,157</b>
<b>Net assets</b>		<b>4,742,219</b>	<b>3,024,134</b>
<b>Equity</b>			
<b>Capital and reserves</b>			
Retained earnings		4,413,982	2,695,897
Reserves	16	328,237	328,237
<b>Total equity</b>		<b>4,742,219</b>	<b>3,024,134</b>

*This statement of financial position is to read in conjunction with the attached notes.*

## Statement of changes in equity

for the year ended 30 June 2022

	Note	Constitutional Reform Reserve \$	Retained earnings \$	Total \$
<b>Balance at 30 June 2020</b>		<b>425,530</b>	<b>2,284,391</b>	<b>2,709,921</b>
Surplus for the year		-	314,213	314,213
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	<b>314,213</b>	<b>314,213</b>
Transferred to / (from) reserve	16	(97,293)	97,293	-
<b>Balance at 30 June 2021</b>		<b>328,237</b>	<b>2,695,897</b>	<b>3,024,134</b>
Surplus for the year		-	1,718,085	1,718,085
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	<b>1,718,805</b>	<b>1,718,085</b>
Transferred to / (from) reserve	16	-	-	-
<b>Balance at 30 June 2022</b>		<b>328,237</b>	<b>4,413,982</b>	<b>4,472,219</b>

*This statement of changes in equity is to read in conjunction with the attached notes.*

## Statement of cash flows

for the year ended 30 June 2022

	2022 \$	2021 \$
<b>Cash flow from operating activities</b>		
Receipts from partners	2,871,613	412,866
Project funding received	4,851,058	2,751,553
Government grants received	5,400,000	3,650,000
Proceeds from donations and fundraising appeals	97,038	290,855
Interest paid on lease liabilities	(18,048)	(12,482)
Payments to suppliers and employees	(6,416,045)	(5,077,371)
Net GST and employee taxes paid	(1,130,152)	(993,349)
Net cash generated by operating activities	5,655,464	1,022,072
<b>Cash flow from investing activities</b>		
Interest received	61,164	47,662
Net (purchase of) / proceeds from investments	(5,788,810)	(1,179,375)
Purchase of property, plant and equipment	(45,906)	(116,271)
Net cash (used in) investing activities	(5,773,552)	(1,247,984)
<b>Cash flow from financing activities</b>		
Payment of principal portion of lease liabilities	(189,307)	(251,737)
Net cash (used in) in financing activities	(189,307)	(251,737)
<b>Net (decrease) in cash and cash equivalents</b>	<b>(307,395)</b>	<b>(477,649)</b>
Cash and cash equivalents at the beginning of the year	1,330,307	1,807,956
<b>Cash and cash equivalents at the end of the year</b>	<b>1,022,912</b>	<b>1,330,307</b>

*This statement of cash flows is to read in conjunction with the attached notes.*

## Notes to the financial statements

for the year ended 30 June 2022

### 1. General information

#### 1.1 Information about the company

Reconciliation Australia is a company limited by guarantee, incorporated in Australia under the *Corporations Act 2001*.

The company is a registered charity with the Australian Charities and Not-for-Profit Commission which holds deductible gift recipient status and is exempt from income tax.

The principal activities of the company are the delivery of programs and projects which promote and facilitate reconciliation by building relationships, respect and trust between the Australian community and Aboriginal and Torres Strait Islander peoples.

The address of its registered office and principal business address is:

Old Parliament House  
King George Terrace  
Parkes ACT 2600

The financial statements of Reconciliation Australia Limited (the company) for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 11 October 2022.

#### 1.2 Basis of preparation

These general purpose financial statements that have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards – Simplified Disclosure Requirements, and comply with other requirements of the law.

For the purpose of preparing the financial statements, the company is a not-for-profit entity.

The presentation currency used in these financial statements is Australian dollars (\$). Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

#### 1.3 Statement of compliance

The company does not have ‘public accountability’ as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the ‘Tier 2’ reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirement in those standards as modified by AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

## 1.4 Going concern basis

The financial statements have been prepared on the going concern basis.

The directors note that the current funding agreement with the BHP Foundation for the Indigenous Governance Program is due to end on 31 December 2022, and the current funding agreement with the National Indigenous Australian Agency (NIAA) is due to end on 30 June 2023. The funding for these programs represents 48% of the funding received in 2021-22. The company has commenced negotiations with both the BHP Foundation and NIAA to secure funding for these programs post 31 December 2022 and 30 June 2023 respectively.

The directors are of the view that the current financial position of the company, along with the forecast cash flows, provides sufficient evidence of the ability of the company to continue to operate for a period of at least 12 months from the date of signing of these financial statements.

## 2. Changes in accounting policies and changes in estimates

### 2.1 Explanation of the transition to Australian Account Standards – simplified disclosures

#### *Previous reporting framework and transition adjustments*

The company previously prepared general purpose financial statements under Tier 2 – Reduced Disclosure Requirements. There were no adjustments other than some disclosure changes on the adoption of Australian Accounting Standards – Simplified Disclosures.

There are no new or revised accounting standards and interpretations issued by the Australia Accounting Standards board (the AASB) that have a material impact to the company and that are effective for an accounting period that begins on or after 1 July 2021.

## 3. Judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liability that are not readily apparent from other sources. The estimates and associated assumption are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period of in the period of the revision and future periods if the revision affects both current and further periods.

## 4. Revenue

	2022 \$	2021 \$
Government grants	3,699,513	3,550,487
Project and program funding	3,095,443	2,322,145
Event registration fees	1,294,033	414,997
Fee for service	1,291,750	2,273
Sponsorship	343,150	-
Charitable donations	97,038	290,855
Other revenue	7,593	436
	<b>9,828,520</b>	<b>6,581,193</b>

Revenue is recognised in accordance with the accounting policy in Note 21.



	2022 \$	2021 \$
<b>5. Investment income and finance costs</b>		
<i>Investment income</i>		
Interest on financial assets measure at amortised cost:		
- Bank and cash deposits	9,110	9,239
- Hybrid fund securities	59,774	52,162
	<b>68,884</b>	61,401
<i>Finance costs</i>		
Interest on financial liabilities measured at amortised cost:		
- Interest on obligations under leases	18,088	12,482
<b>6. Other gains and losses</b>		
Loss on disposal of property, plant and equipment	14,053	25,053
<b>7. Trade and other receivables</b>		
Trade receivables (non related parties)	69,753	4,840
Other receivables	253,861	158,651
	<b>323,614</b>	163,491
<b>8. Other financial assets</b>		
<i>Financial assets measured at amortised cost:</i>		
- Bank cash deposits	6,603,015	800,174
- Hybrid fund securities	1,975,654	1,989,685
	<b>8,578,669</b>	2,789,859
Current	8,578,669	2,789,859
Non current	-	-
	<b>8,578,669</b>	2,789,859

	2022 \$	2021 \$
<b>9. Other assets</b>		
Prepayments	143,752	130,559
Bonds	30,250	30,250
	<b>174,002</b>	160,809
Current	174,002	160,809
Non current	-	-
	<b>174,002</b>	160,809
<b>10. Property, plant and equipment</b>		
<i>Carrying amounts</i>		
Furniture and fittings		
- At cost	19,220	16,232
- Accumulated depreciation	(10,696)	(8,605)
	<b>8,524</b>	7,627
Artwork		
- At cost	4,483	4,483
- Accumulated depreciation	-	-
	<b>4,483</b>	4,483
Office equipment		
- At cost	41,440	41,440
- Accumulated depreciation	(29,841)	(24,643)
	<b>11,599</b>	16,797
IT equipment		
- At cost	223,837	233,781
- Accumulated depreciation	(157,381)	(164,755)
	<b>66,456</b>	69,026
Leasehold improvements		
- At cost	73,085	72,746
- Accumulated depreciation	(33,787)	(9,085)
	<b>39,298</b>	63,661

**10. Property, plant and equipment (continued)**

	Furniture fittings \$	Artwork \$	Office equipment \$	IT equipment \$	Leasehold improvement \$	Total \$
<b>Balance at 1 July 2021</b>	7,627	4,483	16,797	69,026	63,661	<b>161,594</b>
Additions	2,988	-	-	42,579	339	<b>45,906</b>
Disposals	-	-	-	(14,053)	-	<b>(14,053)</b>
Depreciation	(2,091)	-	(5,198)	(31,096)	(24,702)	<b>(63,087)</b>
<b>Balance at 30 June 2022</b>	8,524	4,483	11,599	66,456	39,298	<b>130,360</b>

**Depreciation**

Depreciation is provided on property, plant and equipment (except artwork). Depreciation is calculated on a diminishing balance method in accordance with the accounting policy in Note 21

The following estimated useful lives are used in the calculation of depreciation:

Furniture and fitting	5 to 20 years
Office equipment	3 to 10 years
IT equipment	2 to 4 years
Leasehold improvements	2 to 3 years

<b>2022</b>	<b>2021</b>
<b>\$</b>	<b>\$</b>

**11. Right-of-use assets**
**Net carrying amounts**

Office equipment	<b>245,224</b>	276,572
Office premises	<b>43,027</b>	54,659
	<b>288,251</b>	331,231

<b>Office equipment \$</b>	<b>Office equipment \$</b>	<b>Total \$</b>
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**Movement during the period**

<b>Balance at 1 July 2021</b>	<b>276,572</b>	<b>54,659</b>	<b>331,231</b>
Additions	152,618	-	152,618
Disposals	-	-	-
Depreciation	(183,966)	(11,632)	(195,598)
<b>Balance at 30 June 2022</b>	<b>245,224</b>	<b>43,027</b>	<b>288,251</b>

**Depreciation**

Depreciation of the right-of-use assets is recognised over the shorter period of lease term and useful life of the underlying asset, and in accordance with the accounting policy in Note 21.

	2022 \$	2021 \$
<b>12. Trade payables</b>		
Amounts payable to trade suppliers	101,753	61,409
Accruals	39,318	147,656
Other payables	475,968	33,396
	<b>617,039</b>	<b>242,461</b>
<b>13. Lease liabilities</b>		
<i>Secured</i>		
Current	200,177	123,381
Non-current	107,289	220,775
	<b>307,466</b>	<b>344,156</b>
<i>Significant leasing arrangements</i>		
Lease liabilities are secured by the assets leased and represent the discounted future rental payments by the company for:		
<ul style="list-style-type: none"> <li>Office premises and certain leased equipment. These leases are negotiated for a term of between 2 and 5 years and rentals are fixed for a term of 2 to 5 years</li> </ul>		
<i>Future minimum lease payments</i>		
Not later than one year	209,701	136,338
Later than one year and not later than five years	110,198	231,119
Later than five years	-	-
	<b>319,899</b>	<b>367,457</b>
<b>14. Provisions</b>		
<i>Carrying amounts</i>		
Employee benefits	474,589	406,486
Make good (leasehold office premises)	25,133	24,794
	<b>499,722</b>	<b>431,280</b>
Current	315,345	289,602
Non current	184,377	141,678
	<b>499,722</b>	<b>431,280</b>

**14. Provisions (continued)**

	Employee benefits \$	Make good provision \$	Total \$
<i>Movements in provisions</i>			
Carrying amount as 1 July 2021	406,486	24,794	<b>431,280</b>
Additions	356,744	339	<b>357,083</b>
Amount charged	(263,660)	-	<b>(263,660)</b>
Unused amount reversed	(24,981)	-	<b>(24,981)</b>
<b>Carrying amount as at 30 June 2022</b>	<b>474,589</b>	<b>25,133</b>	<b>499,722</b>
		<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>

**15. Contract liabilities**

Project funding received in advance	<b>4,351,362</b>	895,260
	<b>4,351,362</b>	895,260
Current	<b>4,351,362</b>	895,260
Non current	-	-
	<b>4,351,362</b>	895,260

**16. Reserves**

Constitutional reform reserve	<b>328,237</b>	328,237
	<b>328,237</b>	328,237
<i>Movements in reserve:</i>		
Balance at beginning of the year	<b>328,237</b>	425,530
Transferred to / (from) reserve	-	(97,293)
<b>Balance at end of year</b>	<b>328,237</b>	328,237

*Nature and purpose of reserve:*

The Constitutional Reform reserve represents the proceeds of fundraising and is being specifically used to progress the establishment of a First Nation's Voice to Parliament and facilitate truth telling and agreement making measures.

	2022 \$	2021 \$
<b>17. Employee benefits</b>		
<i>Defined contribution plans</i>		
Amount recognised as an expense for defined contribution plans	<b>321,546</b>	301,742

**18. Related parties***Remuneration of key management personal*

Aggregate key management and director personal compensation	<b>417,161</b>	400,700
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The directors of Reconciliation Australia are volunteers. They are not paid to perform their roles and responsibilities but are entitled to claim a set amount, in lieu of forgone income due to time spent on Reconciliation Australia business.

*Transactions with other related parties*

During the financial year ended 30 June 2022, the following transaction (ex. GST) occurred between the company and its other related parties:

- A receipt for \$750 (2021: nil) was received from the Committee for Economic Development of Australia (CEDA) as a development fee for their Reconciliation Action Plan. Ms M. A. Cilento, a director of the company, is the Chief Executive Officer of CEDA.
- A receipt for \$750 (2021: nil) was received from Gondwana Choirs as a development fee for their Reconciliation Action Plan. Ms K. M. Mundine, a company secretary of the company, is a director of Gondwana Choirs.
- A receipt for \$750 (2021: nil) was received from My Pathways as a development fee for their Reconciliation Action Plan. Mr K. R. Bedford a director of the company, is also a director of My Pathways.
- Payments totalling \$87,000 (2021: \$77,200) were made to Reconciliation Tasmania to support National Reconciliation Week and Narragunnawali: Reconciliation in Education activities. Mr W. D. Lawson, a director of the company was the Co-Chair of Reconciliation Tasmania until 13 November 2021.
- Payments totalling \$1,300 (2021: \$1,000) were made to Aboriginal Education Consulting for consulting services provided to the Narragunnawali Awards program. Ms S. L. Davis, a director of the company is the owner of Aboriginal Education Consulting.
- Payments totalling \$9,825 (2021: nil) were made to KPMG for the secondment of a Human Resources Advisor. Mr D. A. Ferguson, a director of the company is the NSW Chairman of KPMG.

## 19. Subsequent events

On 13 July 2022 the Company extended its office premises at 94-96 Cooper St Surry Hills by signing a new lease for 200 square metres on the first floor of the building. Commencing 1 August 2022, the lease has a one-year term and a rental cost of \$10,484 per month.

On 25 August 2022 the directors approved the purchase of \$1,250,000 of Australian Stock Exchange listed hybrid fund securities, issued by the four major Australian banks. In line with the company's Investment Policy Statement this purchase aims to maximise investment returns in a low risk environment.

There has been no other matters or circumstances occurring subsequent to the financial year that has 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 years.

## 20. Remuneration of auditors

	2022 \$	2021 \$
<b><i>Deloitte and related network firms</i></b>		
Audit of financial reports	24,750	21,800
Other assurance and agreed-upon procedures under legislation or contractual arrangements	8,000	7,400
	<b>32,750</b>	<b>29,200</b>

## 21. Significant accounting policies

### ***Basis of accounting***

These financial statements have been prepared on the basis of historical cost. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

### ***Revenue recognition***

#### ***Government grants and project funding***

When the company receives government grants, project funding and charitable donations that are in the scope of AASB 1058 (being a transaction where the consideration paid to acquire the asset is significantly less than fair value principally to enable the company to further its objectives), it performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

In all other cases (where the contract is not 'enforceable' or the performance obligations are not 'sufficiently specific'), the transaction is accounted for under AASB 1058 where the company:

- Recognises the asset in accordance with the requirements of other relevant applicable Australian Accounting Standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138).
- Considers whether any other financial statement elements should be recognised ('related amounts') in accordance with the relevant applicable Australian Accounting Standard including:
  - contributions by owners (AASB 1004)
  - a lease liability (AASB 16)
  - revenue, or a contract liability arising from a contract with a customer (AASB 15)
  - a financial instrument (AASB 9)
  - a provision (AASB 137)

## 21. Significant accounting policies (continued)

- Recognises income immediately in the profit or loss for the excess of the initial carrying amount of the asset over any related amounts recognised

The company receives funding specific projects. Funding received in one year may be expected to fund the costs of that project over the course of more than one financial year. Revenues are recognised in a financial year to the extent of the relevant project's outlay in that period. Funds to be spent in future periods are provided for as revenue received in advance.

### *Charitable donations, sponsorships and fee for service*

Revenue received from charitable donations, sponsorships and fee for service activities is recognised when the right to receive the income has been established.

### **Employee benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required, and they are capable of being measured reliably

### **Goods and services tax**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item or expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

### **Financial assets**

Investments comprise of short-term bank deposits and hybrid fund securities which are interest bearing and listed on the Australia Stock Exchange. Investments are initially measured at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method as they meet the following criteria:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Trade receivables and other receivables are measured at amortised cost using the effective interest rate method, less any impairment.

### **Property, plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and impairment (except artwork). Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.



## 21. Significant accounting policies (continued)

Depreciation is provided on property, plant and equipment (except artwork). Depreciation is calculated on a diminishing balance method so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

The following estimated useful lives are used in the calculation of depreciation:

Furniture and fitting	5 to 20 years
Office equipment	3 to 10 years
IT equipment	2 to 4 years
Leasehold improvements	2 to 3 years

Artwork is stated at cost and is not depreciated. The cost of the artwork approximates the fair value of this asset.

There have been no changes to the estimated useful lives of property, plant and equipment since the prior year.

### ***Impairment of assets***

At each reporting date the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and depreciated replacement cost. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which the impairment loss is treated as a revaluation decrease (refer Property, plant and equipment).

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised in profit and loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase (refer Property, plant and equipment).

### ***Financial liabilities***

Trade and other payables are initially measured at fair value, net of transaction costs.

Trade and other payables are subsequently measured at amortised costs using the effective interest rate method, with interest expense recognised on an effective yield basis. The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

## 21. Significant accounting policies (continued)

### **Leases**

The company assesses whether a contract is or contains a lease at inception of the contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is engaged, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of fixed lease payments.

The lease liability is presented as a separate line in the statement of financial position and is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed; or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The company applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

### **Provisions**

Provisions are recognised when the company has a present obligation, the future sacrifice of economic benefits is probable and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.