



RECONCILIATION
AUSTRALIA

Reconciliation Australia Limited

ABN 76 092 919 769

Annual Financial Report

for the financial year ended 30 June 2024



Contents to financial report

	Page no.
Directors' report	3
Auditor's declaration of independence	8
Independent auditor's report	9
Directors' declaration	11
Statement of profit or loss and other comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Statement of cash flows	15
Notes to the financial statements	16

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 2024.

Directors

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

Name	Particulars
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 Co-Chair of the Board of Reconciliation Australia and is also Professor of Practice (indigenous Engagement) at the University of Sydney. Professor Calma holds board positions with Ninti One and the Australia Literacy and Numeracy Foundation. He was previously Chancellor of the University of Canberra and 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 is Co-Chair of the Board of Reconciliation Australia. She is also 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 and National Employment Services Australia. Mr Bedford was previously the President of the Erub Fisheries Management Association and on the board of the Torres Strait Regional Authority.
Mx Sharon L. Davis <i>BEd, MSc (Oxon.)</i>	Mx Davis is from the Bardi and Kija Peoples of the Kimberley and is the inaugural Chief Executive Officer of the National Aboriginal and Torres Strait Islander Education Corporation (NATSIEC). They are a Co-Founder of Goorlil Consulting and was previously the Director of Education at the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS). Sharon is a director of the Stronger Smarter Institute and previously led Aboriginal education with Catholic Education Western Australia.
Mr Douglas A. Ferguson <i>BBus (Accounting), FCAANZ</i>	Mr Ferguson is a Partner with KPMG and is currently the NSW Chairman and Head of Asia and International Markets. He is the Chair of the Audit and Risk Committee at Reconciliation Australia. He is a Fellow of the Chartered Accountants in Australia and New Zealand, an Adjunct Professor at the University of Sydney Faculty of Business, a director and audit committee chairman of the Committee for Sydney and a member of the Business Council of Australia's Global Engagement Committee. He also serves as the Chairman of the NSW Board of Governors for the American Chamber of Commerce and is a Council member of SHORE school.

Name	Particulars
<p>Dr Blaze J. Kwaymullina <i>BA (History), M.C.J., PhD (English)</i></p>	<p>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 resigned from his position on the Board on 12 August 2024.</p>
<p>Mr William D. Lawson AM <i>BEng</i></p>	<p>Mr Lawson is a semi-retired engineer following retirement in 2013 from Sinclair Knight Merz (now Jacobs) where he was the Principal responsible, amongst other roles, for SKM’s relationships with traditional owners for many projects nationwide. Mr Lawson is the Founder and initial co-chair until 2022 of Reconciliation Tasmania, of which he remains a member. Mr Lawson was the Tasmanian representative on Prime Minister Gillard’s Expert Panel for the recognition of Indigenous Australians. He is also the Founder of the Beacon Foundation. Since 2022, Mr Lawson has been working in an advisory capacity to GHD in Tasmania. Mr Lawson joined the RA Board in May 2015.</p>
<p>Ms Kirstie M. Parker</p>	<p>A Yuwaalaraay woman from northwest NSW, Ms Parker is an independent First Nations consultant, and owner of Kirstie Parker Consulting. She was previously Strategic Adviser to the Uluru Dialogue, Director of Aboriginal Affairs and Reconciliation with the Attorney General’s Department (SA), CEO of the National Centre of Indigenous Excellence and Co-Chair of the National Congress of Australia’s First Peoples. Ms Parker has more than 30 years’ experience in journalism and management of Indigenous organisations, including as the Editor of the Koori Mail.</p>
<p>Ms Joy Thomas</p>	<p>Ms Thomas spent her early years in rural Australia, growing up on a farm in New South Wales. She 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 in the primary health care sector and worked as an advocate for productive agricultural industries and on issues impacting the lives of rural and regional Australians. Ms Thomas is a private consultant to peak industry bodies across the agriculture and energy sectors.</p>
<p>Ms Rana Hussain</p>	<p>Ms Hussain was appointed to the Board of Reconciliation Australia on 1 January 2024. She is the founder of Good. Human which champions initiatives that foster a sense of community and belonging. She is a Board member and Trustee at the Victorian Women’s Trust and is a private consultant and advisor with expertise in leadership development and organisational culture.</p>

Name	Particulars
Mr Michael Rose AM	Mr Rose was appointed to the Board of Reconciliation Australia on 3 September 2024. He is an independent director with wide experience on commercial, government and not for profit boards. He is the chair of the Committee for Sydney, chair of Greater Sydney Parklands and chair of Northwest Rapid Transit Group. He also sits on the boards of Silicon Quantum Computing and the Westmead Institute for Medical Research. He is a fellow of the Australian Institute of Company Directors. For two decades Mr Rose has been actively engaged with organisations and indigenous communities promoting indigenous rights, employment, education and reconciliation. In 2016 he served as a member of the Referendum Council on Constitutional Recognition.
Prof Leslie Philip Duncan	Prof Duncan was appointed to the Board on 23 November 2023. He is from Moree, New South Wales and is a member of the Gomeri Nation and his homelands are Moree and Terry Hie Hie. Prof Duncan has extensive experience working with Aboriginal people and government to improve the lives of Aboriginal people through recognition of our rich cultural history, the return of our lands, the improvement of our living conditions and education of our next generation through both his employment and active volunteer community work. He provides high level policy and strategic advice and leadership to key Indigenous Representative Organisations, Universities, State and Federal government agencies as well as key external stakeholder groups. Phil recently was awarded the Australian Water Association – Oz Water 24 Australian Water Professional of the Year 2024 and also holds Board positions for the NSW Natural Resource Access Regulator as the First Indigenous Board Member. He was recently appointed to the NSW Biodiversity Conservation Trust Board.

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 J. Kwaymullina – resigned 23 August 2024
- Mr Leslie Philip Duncan – appointed 23 November 2023
- Ms Rana Hussain – appointed 1 January 2024
- Mr Michael Rose – appointed 3 September 2024

Company secretary

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 25 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, Sydney Festival and Australians for Indigenous Constitutional Recognition.

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 the wider Australian Community and Aboriginal and Torres Strait Islander peoples.

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 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 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 \$ 271,056 (surplus of \$ 375,685 in 2023).

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.

Changes in state of affairs

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

Subsequent events

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 financial 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 *Australian Charities and Not-for-profits Commission Act 2012*. 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	4	5	4
Prof. T. E. Calma AO	4	4	5	4
Ms M. A. Cilento	4	4	5	5
Mx S. L. Davis	4	4	-	-
Mr D. A. Ferguson	4	4	5	5
Dr B. J. Kwaymullina	4	3	-	-
Mr W. D. Lawson AM	4	4	5	5
Ms K. M. Parker	4	4	-	-
Ms J. Thomas	4	4	-	-
Ms R. Hussain	2	2	-	-
Mr L. P. Duncan	3	2	-	-

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 \$11.

Auditor’s independence declaration

The auditor’s independence declaration is included on page 8 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
 14 November 2024



Ms Melinda Cilento
 Director

14 November 2024

The Board of Directors
Reconciliation Australia Limited
PO Box 224
Surry Hills NSW 2010
Australia

Dear Directors

Auditor's Independence Declaration to Reconciliation Australia Limited

In accordance with section 60-40 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 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully


DELOITTE TOUCHE TOHMATSU



Vanessa de Waal
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 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information 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 2024 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 Regulations 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & 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 directors' report for the year ended 30 June 2024, 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



Vanessa de Waal
Partner
Chartered Accountants
Brisbane, 14 November 2024

Directors' declaration

The directors declare that:

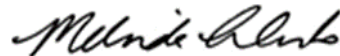
- (a) in the directors' opinion, there are reasonable grounds to believe that Reconciliation Australia will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes there to, are in accordance with the *Australian 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

14 November 2024

Statement of profit or loss and other comprehensive income for the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue	4	9,499,483	9,776,701
Investment income	5	576,065	427,297
Other gains and losses	6	15,346	17,347
Employee benefits expense		(6,018,883)	(5,382,884)
Consultants and outside services expense		(520,630)	(408,083)
Communications and marketing expense		(1,786,558)	(2,811,677)
Workshops and events expense		(454,987)	(317,651)
Travel and accommodation expense		(450,985)	(395,607)
Office communications and supplies expense		(30,559)	(40,564)
Office facilities and utilities expense		(66,836)	(54,601)
Depreciation and amortisation expense		(434,597)	(368,297)
Finance costs	5	(10,018)	(18,434)
Other expenses		(45,785)	(47,862)
Surplus before tax		271,056	375,685
Income tax expense		-	-
Surplus for the year		271,056	375,685

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

Statement of financial position

as at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents		990,649	486,133
Trade and other receivables	7	349,826	647,453
Other financial assets	8	5,600,000	5,553,575
Other assets	9	300,324	307,798
Total current assets		7,240,799	6,994,959
Non current assets			
Property, plant and equipment	10	89,013	178,804
Right-of-use assets	11	46,984	314,065
Other financial assets	8	3,095,028	3,230,187
Other assets	9	64,748	-
Total non current assets		3,295,773	3,723,056
Total assets		10,536,572	10,718,015
Liabilities			
Current liabilities			
Trade and other payables	12	308,428	387,031
Lease liabilities	13	40,831	290,381
Provisions	14	448,897	383,827
Contract liabilities	15	4,181,775	4,363,921
Total current liabilities		4,979,931	5,425,160
Non current liabilities			
Lease liabilities	13	8,999	39,643
Provisions	14	158,682	135,308
Total non current liabilities		167,681	174,951
Total liabilities		5,147,612	5,600,111
Net assets		5,388,960	5,117,904
Equity			
Capital and reserves			
Retained earnings		5,268,806	4,789,667
Reserves	16	120,154	328,237
Total equity		5,388,960	5,117,904

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

Statement of changes in equity

for the year ended 30 June 2024

	Note	Constitutional Reform Reserve \$	Retained earnings \$	Total \$
Balance at 30 June 2022		328,237	4,413,982	4,742,219
Surplus for the year		-	375,685	375,685
Total comprehensive income for the year		-	375,685	375,685
Transferred to / (from) reserve	16	-	-	-
Balance at 30 June 2023		328,237	4,789,667	5,117,904
Surplus for the year		-	271,056	271,056
Total comprehensive income for the year		-	271,056	271,056
Transferred to / (from) reserve	16	(208,083)	208,083	-
Balance at 30 June 2024		120,154	5,268,806	5,388,960

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

Statement of cash flows

for the year ended 30 June 2024

	2024 \$	2023 \$
Cash flow from operating activities		
Receipts from customers	2,336,013	1,633,566
Project funding received	3,495,234	5,282,069
Government grants received	3,708,000	2,450,000
Proceeds from donations and fundraising appeals	75,448	99,044
Interest paid on lease liabilities	(10,018)	(18,434)
Payments to suppliers and employees	(7,632,277)	(7,926,694)
Net GST and employee taxes paid	(1,724,308)	(1,742,898)
Net cash generated by/(used in) operating activities	248,092	(223,347)
Cash flow from investing activities		
Interest received	543,993	294,312
Purchase of investments	(7,979,636)	(7,575,699)
Proceeds from investments	8,068,370	7,387,954
Purchase of property, plant and equipment	(42,895)	(113,737)
Net cash generated by/(used in) investing activities	589,832	(7,170)
Cash flow from financing activities		
Payment of principal portion of lease liabilities	(333,408)	(306,262)
Net cash used in in financing activities	(333,408)	(306,262)
Net increase/(decrease) in cash and cash equivalents	504,516	(536,779)
Cash and cash equivalents at the beginning of the year	486,133	1,022,912
Cash and cash equivalents at the end of the year	990,649	486,133

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

Notes to the financial statements

for the year ended 30 June 2024

1. General information

1.1 Information about the company

Reconciliation Australia is a public 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 place of business is:

94-96 Cooper Street
Surry Hills NSW 2010

The financial statements of Reconciliation Australia Limited (the company) for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors on 8 November 2024.

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* (AASB 1053) 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 a new funding agreement with the BHP Foundation for the Indigenous Governance Program has been signed on 16 February 2023 for 5 years to 31 December 2027. In addition, the current funding agreement with the National Indigenous Australian Agency (NIAA) which ended on 30 June 2023, was extended for a period of 2 years, to 30 June 2025.

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 New and revised accounting standards

There are no new or revised accounting standards and interpretations issued by the Australia Accounting Standards board (the AASB) that have a material impact on the company and that are effective for an accounting period that begins on or after 1 July 2023.

Effective for annual reporting periods beginning on or after 1 January 2023 entities are required to disclose material accounting policy information (as opposed to significant accounting policies). Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Reconciliation Australia has amended its disclosure of its accounting policy in line with this new requirement.

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. Significant judgements are detailed in Note 22. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4. Revenue

	2024 \$	2023 \$
Government grants	3,708,000	3,600,000
Project and program funding	3,677,380	4,119,510
Event registration fees	386,094	79,433
Reconciliation Action Plan revenue	1,616,500	1,839,280
Consultant fees	12,935	24,103
Sponsorship	6,818	-
Charitable donations	75,448	99,044
Other revenue	16,308	15,331
	9,499,483	9,776,701

	2024 \$	2023 \$
Revenue by timing		
Services transferred at a point in time	1,632,808	1,854,611
Services transferred over time	7,791,227	7,823,046
Total	9,424,035	9,677,657
Non-AASB 15 Revenue	75,448	99,044
Total Revenue	9,499,483	9,776,701

Revenue is recognised in accordance with the accounting policy in Note 21. Contract liabilities arising from contracts giving rise to revenue are disclosed as part of Note 15.

5. Investment income and finance costs

Investment income

Interest on financial assets measured at amortised cost:		
- Bank and cash deposits	334,748	251,816
Interest on financial assets measured at fair value through profit and loss:		
- Hybrid fund securities	241,317	175,481
	576,065	427,297

Finance costs

Interest on financial liabilities measured at amortised cost:		
- Interest on obligations under leases	10,018	18,434

6. Other gains and losses

Loss on disposal of property, plant and equipment	(25,395)	-
Loss on disposal of investments	(14,371)	(6,289)
Gain on fair value movements in hybrid fund securities	55,112	23,636
	15,346	17,347

7. Trade and other receivables

Trade receivables (non-related parties)	96,977	394,335
Interest receivable	124,046	103,375
Other receivables	128,803	149,743
	349,826	647,453

No provision for expected credit losses has been made. (2023: \$Nil).

The average credit period on receivables relating to services provided is 30 days. No interest is charged on outstanding trade receivables.

	2024 \$	2023 \$
8. Other financial assets		
<i>Financial assets measured at amortised cost:</i>		
- Bank cash deposits	5,600,000	5,553,575
<i>Financial assets measured at fair value through profit and loss:</i>		
- Hybrid fund securities	3,095,028	3,230,187
Current	5,600,000	5,553,575
Non current	3,095,028	3,230,187
	8,695,028	8,783,762
9. Other assets		
Prepayments	300,324	243,050
Rental Bonds	64,748	64,748
	365,072	307,798
Current	300,324	307,798
Non current	64,748	-
	365,072	307,798
10. Property, plant and equipment		
<i>Carrying amounts</i>		
Furniture and fittings		
- At cost	2,178	19,220
- Accumulated depreciation	(1,853)	(11,911)
	325	7,309

	2024 \$	2023 \$
10. Property, plant and equipment (continued)		
Artwork		
- At cost	4,483	4,483
- Accumulated depreciation	-	-
	<u>4,483</u>	<u>4,483</u>
Office equipment		
- At cost	15,196	46,273
- Accumulated depreciation	(10,100)	(33,905)
	<u>5,096</u>	<u>12,368</u>
IT equipment		
- At cost	201,951	295,548
- Accumulated depreciation	(123,942)	(192,596)
	<u>78,009</u>	<u>102,952</u>
Leasehold improvements		
- At cost	123,337	110,278
- Accumulated depreciation	(122,237)	(58,586)
	<u>1,100</u>	<u>51,692</u>

	Furniture fittings \$	Artwork \$	Office equipment \$	IT equipment \$	Leasehold improvements \$	Total \$
Balance at 1 July 2023	7,309	4,483	12,368	102,952	51,692	178,804
Additions	-	-	617	29,218	13,060	42,895
Disposals	(6,321)	-	(3,695)	(15,377)	-	(25,393)
Depreciation	(663)	-	(4,194)	(38,784)	(63,652)	(107,293)
Balance at 30 June 2024	325	4,483	5,096	78,009	1,100	89,013

Depreciation

Depreciation is provided on property, plant and equipment (except artwork). Depreciation is calculated on a diminishing balance method.

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

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

No depreciation is provided for on artworks. Cost approximates fair value.

	2024 \$	2023 \$
11. Right-of-use assets		
<i>Net carrying amounts</i>		
Office premises	27,222	282,671
Office equipment	19,762	31,394
	46,984	314,065

	Office premises \$	Office equipment \$	Total \$
<i>Movement during the period</i>			
Balance at 1 July 2023	282,671	31,394	314,065
Additions	60,223	-	60,223
Disposals	-	-	-
Depreciation	(315,672)	(11,632)	(327,304)
Balance at 30 June 2024	27,222	19,762	46,984

Depreciation

Depreciation of the right-of-use assets is recognised over the shorter period of lease term and useful life of the underlying asset using the straight-line method.

	2024 \$	2023 \$
12. Trade and other payables		
Amounts payable to trade suppliers	279,068	256,635
Accruals	29,360	130,396
Other payables	-	-
	308,428	387,031

	2024 \$	2023 \$
13. Lease liabilities		
<i>Secured</i>		
Current	40,831	290,381
Non-current	8,999	39,643
	49,830	330,024

Significant leasing arrangements

Lease liabilities are secured by the assets leased and represent the discounted future rental payments by the company for:

- 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.

Future minimum lease payments

Not later than one year	41,530	299,503
Later than one year and not later than five years	9,132	40,475
Later than five years	-	-
	50,662	339,978

14. Provisions

Carrying amounts

Employee benefits	572,285	493,882
Make good (leasehold office premises)	35,294	25,253
	607,579	519,135
Current	448,897	383,827
Non current	158,682	135,308
	607,579	519,135

	Make good provision
	\$
<i>Movements in make good provision</i>	
Carrying amount as 1 July 2023	25,253
Additions	10,041
Carrying amount as at 30 June 2024	35,294
	2024
	\$
	2023
	\$

15. Contract liabilities

Project funding received in advance	<u>4,181,775</u>	4,363,921
	<u>4,181,775</u>	<u>4,363,921</u>
Current	4,181,775	4,363,921
Non current	-	-
	<u>4,181,775</u>	<u>4,363,921</u>

16. Reserves

Constitutional reform reserve	<u>120,154</u>	328,237
	<u>120,154</u>	<u>328,237</u>
<i>Movements in reserve:</i>		
Balance at beginning of the year	328,237	328,237
Transferred to / (from) reserve	<u>(208,083)</u>	-
Balance at end of year	<u>120,154</u>	<u>328,237</u>

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.

	2024 \$	2023 \$
17. Employee benefits		
<i>Defined contribution plans</i>		
Amount recognised as an expense for defined contribution plans	554,998	452,977

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

Aggregate key management personnel compensation	461,938	543,462
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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 2024, the following transaction (ex. GST) occurred between the company and its other related parties:

- Payments totalling \$84,035 (2023: \$200,000) were made to Reconciliation Tasmania to support National Reconciliation Week and Narragunnawali: Reconciliation in Education activities and reimbursement of travel expenses. Mr W.D. Lawson, a director of the Company, is a member of Reconciliation Tasmania.
- Payments totalling \$50,725 (2023: \$43,256) were made to KPMG for workshops and facilitation of the company's strategic plan for 2024-2030. Mr D. Ferguson, a director of the Company, is NSW Chairman of KPMG.
- A payment for \$1,764 (2023: \$5,860) from the National Indigenous Australians Agency was received for Ms K. Mundine's role as member of their Referendum Engagement Group. The Commonwealth Government, through the National Indigenous Australians Agency provides funding for Reconciliation Australia's general operational activities.
- A payment of \$6,094 (2023: \$5,600) was made to Stronger Smarter Institute for training courses for staff in the Narragunnawali: Reconciliation in Education program. Mx S. Davis, a director of the Company, is a director of the Institute.
- Payments totalling \$5,796 (2023: \$NIL) were made to Goorlil Consulting for Mx S. Davis being a member of the judging panel for the Narragunnawali Awards. Mx S. Davis, a director of the Company is co-owner of Goorlil Consulting.
- A payment of \$24,750 (2023: \$38,500) was made to Magabala Books for the development and partnership on a children's book publication. Magabala Books was only considered a related party after Mx S. Davis, a director of the Company, became a director of Magabala Books in May 2024.

- A payment for \$6,750 (2023: \$NIL) from Australian Education Research was received for registration for the Garma Festival. Mx S. Davis, a director of the Company, joined their First Nations Expert Reference Group in May 2024.
- A payment of \$11,000 (2023: \$16,500) was made to the Australian Institute of Aboriginal and Torres Strait Islander Studies as sponsorship for their conference. Mr K. Bedford, a director of the Company, is a member of their Research Advisory Committee.
- A payment totalling \$5,500 (2023: \$5,000) was made to Wakakirri as sponsorship for their activities from the Narragunnawali: Reconciliation in Education program. Prof T. Calma, a director of the Company, is Patron of Wakakirri.
- A payment of \$4,874 (2023: \$NIL) was made to Chief Executive Women for their annual dinner. Ms M. Cilento and Ms K. Mundine are members of Chief Executive Women.
- A payment totalling \$5,000 was made in 2023 (2024: \$NIL) to the Australian Indigenous Leadership Centre for sponsorship for their gala dinner. Ms K. Mundine is a director of the Centre.
- A receipt totalling \$1,100 (2024: \$NIL) was received in 2023 from GHD for Reconciliation Australia's attendance at their Reconciliation Action Plan advisory meeting. Mr W.D. Lawson, a director of the Company, is a consultant at the company.
- Receipts of \$487 each (2023: \$NIL) were received from the GO Foundation and Aurora Education Foundation for tickets to the Chief Executive Women dinner purchased by Reconciliation Australia. Ms M. Cilento is a member of GO Foundation's Investment Committee and Mx S. Davis is Director at the Aurora Education Foundation.
- Payments totalling \$63,848 were made in 2023 (2024: \$NIL) to Social Ventures Australia for consulting services provided to the Indigenous Governance Program. Mr W.D. Lawson, a director of the Company, is a member of Social Ventures Australia until 23 February 2023.
- A payment totalling \$277 was made in 2023 (2024: \$NIL) to Indigenous Initiatives and Innovations as reimbursement for travel costs for Mr K. Bedford. Mr K. Bedford, a director of the company, is a director of Indigenous Initiatives and Innovation.

19. Subsequent events

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 financial years.

20. Remuneration of auditors

	2024 \$	2023 \$
<i>Deloitte and related network firms</i>		
Audit of financial reports	25,800	24,025
Other assurance and agreed-upon procedures under other legislation or contractual arrangements	4,300	4,000
	30,100	28,025

21. Material 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 *Income for not-for-profit entities* (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 *Revenue from contracts with customers* (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)
- 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 for 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. Reconciliation action plan fees are recognised when access to materials and resources are provided to the customer.

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

21. Material accounting policies (continued)

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. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

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

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised costs and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

21. Material accounting policies (continued)

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit losses experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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. Material accounting policies (continued)

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.

Cash and cash equivalents

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition.

Income tax

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

22. Significant Judgements

In the application of the Company's accounting policies, which are described in Note 21, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimated.

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 or in the period of revision and future periods if the revision affects both current and future period.

Judgements made in applying accounting policies

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

To determine if a grant contract should be accounted for under AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) or AASB 15 *Revenue from Contracts with Customers* (AASB 15), the Company has to determine if the contract is "enforceable" and contains "sufficiently specific" performance obligations. When assessing if the performance obligations are "sufficiently specific", the Company has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation and holding discussions with relevant parties.

22. Significant Judgements (continued)

Income recognition from grants received by the Company has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

Judgement is undertaken within the determination of whether the reconciliation action plan revenue is recognised at a point in time or over time. The determination of whether the revenue is recognised over time or at a point in time depends on whether the accreditation promised within the contract with customers is distinct from the provision of the reconciliation action plan itself. The Company has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained within product offering.

Revenue recognised from the reconciliation action plans has been appropriate accounted for at a point in time based on an assessment of the arrangement and the transfer of value with the customer based on a single performance obligation.