

**WESTERN DESERT LANDS  
ABORIGINAL CORPORATION  
Jamukurnu-Yapalikunu**

ICN 4207  
ABN 37 846 306 459

Annual Report  
30 June 2015

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## CORPORATE DIRECTORY

### Special Administrators

Mr. Jack James

Ms. Paula Cowan

### Secretary

Mr. Jack James

### Registered Address

4 Clive Street

West Perth, WA 6005

Telephone: +61 8 9486 9797

Facsimile: +61 8 9486 9798

### Auditors

Bentleys Perth

Level 1

12 Kings Park Road

West Perth, WA 6005

## Directors' Report

The Special Administrators present the following report on the consolidated entity consisting of Western Desert Lands Aboriginal Corporation ('WDLAC') and the entities it controlled for the year ended 30 June 2015. Throughout the report, the consolidated entity is referred to as the Consolidated Entity or the Corporation.

### CORPORATE INFORMATION

The Corporation is registered as an Aboriginal and Torres Strait Islander corporation under the CATSI Act.

### DIRECTORS

The names of the WDLAC's Directors in office during the year and until the date of this report are as follows. Directors were in office for the whole period unless otherwise stated.

Name	Appointment Date	Cessation Date
Brian Samson ( <i>Ngarrarukulka (Ngayunanalku)</i> )	26 September 2013	13 July 2015
Teddy Biljabu ( <i>Rirrakaja</i> )	26 September 2013	13 July 2015
Greg Peterson ( <i>Walakaja</i> )	26 September 2013	13 July 2015
Evelyn Mitchell ( <i>Pitjkarli</i> )	27 September 2012	13 July 2015
Sidney Tinker ( <i>Rirrakaja Rakaja</i> )	26 September 2013	13 July 2015
Barbara Hale ( <i>Karlamyngurrara</i> )	27 September 2012	13 July 2015
Graham Dunn ( <i>Karlamyngurrara</i> )	26 September 2013	13 July 2015
Margaret Samson ( <i>Ngarrarukulka (Ngayunanalku)</i> )	26 September 2013	13 July 2015
Neil Bidu ( <i>Rirrakaja Elder</i> )	26 September 2013	13 July 2015
Mitchell Biljabu ( <i>Rirrakaja Elder</i> )	26 September 2013	13 July 2015
Milton Chapman ( <i>Karlamyngurrara</i> )	26 September 2013	13 July 2015
Bruce Booth ( <i>Pilakaja</i> )	26 September 2013	13 July 2015
Rodney Walker ( <i>Pitjkarli</i> )	26 September 2013	13 July 2015
Peggy Gibbs ( <i>Rirrakaja</i> )	26 September 2013	13 July 2015
Roslyn Pindan ( <i>Walakaja</i> )	25 September 2014	13 July 2015
Greg Billycan ( <i>Walakaja</i> )	25 September 2014	13 July 2015
Joslyn Peterson Mongoo ( <i>Pilakaja</i> )	25 September 2014	13 July 2015
Colin Peterson ( <i>Pilakaja</i> )	27 September 2012	25 September 2014
Christine Thomas ( <i>Walakaja</i> )	27 September 2012	25 September 2014
Peggy Peterson ( <i>Pilakaja</i> )	26 September 2013	25 September 2014

### DIRECTORS QUALIFICATIONS AND EXPERIENCE

At the date of this report there are no appointed directors.

### PRINCIPAL ACTIVITIES

The principal activities of the Corporation during the year were:

- To hold and manage the Native Title Rights and Interests on behalf of the Martu People;
- To consult with the Martu People on matters relating to their Native Title Rights;
- To enter into negotiations and agreements, including as a trustee, for the Martu People, and;
- To protect Martu Heritage.

There were no changes in the nature of the activities during the period.

### REVIEW AND RESULTS OF OPERATIONS

#### Results for the year

The profit or (loss) of each entity for the current and previous financial years are detailed below:

	2015	2014
Western Desert Lands Aboriginal Corporation	(1,600,398)	(632,609)
Martu Holdings Pty Ltd	-	-
Martu Mining Services Ltd	(539,698)	1,716,735
Desert Food Security Pty Ltd	(329,222)	-
Martu Aboriginal Law and Culture (Aboriginal Corporation)	3,822	723,290
Consolidation Eliminations	60,829	(7,737)
<b>Consolidated Entity</b>	<b>(2,404,667)</b>	<b>1,799,679</b>

For further detail refer to notes 17 and 23.

## Directors' Report

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### **Acquisition of Nullagine Store**

On 8 August 2014, the Corporation completed the acquisition of the Nullagine Store and associated property. For further detail refer to note 23.

### **Appointment of Special Administrators**

On 13 July 2015, the Office of the Registrar of Indigenous Corporations ('ORIC') determined that WDLAC is to be under Special Administration and appointed Jack James and Paula Cowan as Special Administrators. The effect of the appointment was that the directors of WDLAC at the time of the appointment cease to hold office. The cost of the Special Administration is paid by ORIC.

In December 2014, ORIC retained an external contractor to undertake an Examination of WDLAC. Following receipt of the Examination report, on 21 April 2015, ORIC issued a Show Cause Notice under Section 487-10(1) of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* ('the CATSI Act') to WDLAC requiring it to show cause as to why ORIC should not determine that it be under Special Administration. Subsequently, WDLAC provided a response to ORIC. On 13 July 2015, ORIC determined to place WDLAC under Special Administration for a period of 6 months. The Special Administration is due to finish on 15 January 2016.

A new Board of Directors will be appointed to take stewardship of WDLAC at the end of the Special Administration.

The Special Administration has focused on the following key areas:

- Restoring financial stability;
- Implementing appropriate controls and procedures;
- Investigating the affairs of the Corporation;
- Reviewing the organisation structure; and
- Reviewing and amending the Rule Book.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

Significant changes in the state of affairs of the Corporation are stated above.

### **SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE**

Apart from the appointment of Special Administrators as set out above and other matters detailed below, no other matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Corporation, the results of those operations or the state of affairs of the Corporation in future financial years.

#### *Wright Corporate Services Pty Ltd*

Following their appointment the Special Administrators terminated the consultancy agreement between the Corporation and Wright Corporate Services Pty Ltd. The consultancy agreement was for a term of four years and was due to end 31 March 2018. Subsequent to the termination, the Special Administrators received correspondence from legal advisers for Wright Corporate Services Pty Ltd claiming the consultancy agreement had been wrongfully terminated and as such Wright Corporate Services Pty Ltd would reserve their rights to claim damages against the Corporation. The CATSI Act provides that proceedings may not be commenced against the Corporation until the end of the Special Administration and as such this has been disclosed as a contingent liability. Refer to note 22 for further detail.

Further, the Special Administrators have formed the view, based upon further investigations, the consultancy agreement was terminated with cause and that no amounts are due and payable to Wright Corporate Services Pty Ltd. In addition, the Special Administrators consider that Wright Corporate Services Pty Ltd invoiced WDLAC (and received payment) for sums in excess of what it was entitled to under the consultancy agreement. The amount claimed to be paid in excess of the entitlement under the consultancy agreement is \$128,656 (excluding GST). On 30 October 2015, WDLAC issued an invoice to Wright Corporate Services Pty Ltd for this amount and demanded payment within 14 days. No response or payment was received. On 18 November 2015, the Special Administrators issued a Statutory Demand against Wright Corporate Services Pty Ltd for payment of the full amount within 21 days.

#### *WDLAC's registration as a Charity*

On 31 August 2015, WDLAC received correspondence from the Australian Taxation Office ('ATO') stating that Fringe Benefit Tax ('FBT') returns for the 2008 to 2015 financial years were outstanding and were required to be lodged. In preparing these outstanding FBT returns, the Special Administrators became aware that, whilst WDLAC was registered as a charity with the Australian Charities and Not-for-Profits Commission ("ACNC"), its registration only provided it with FBT Rebate concession.

Given WDLAC's objectives as a Registered Native Title Body Corporate, the Special Administrators consider that WDLAC would be eligible to apply for registration with the ACNC as a Public Benevolent Institution ('PBI'). Such registration would allow it to be eligible for FBT exemptions. The Special Administrators have been working with the ATO and the ACNC to apply for registration as a PBI from the date of incorporation in order to be eligible for FBT exemptions. On 19 November 2015 the Special Administrators received confirmation from the ACNC that WDLAC has been approved as a PBI with an effective date of 3 December 2012 and is therefore eligible for FBT exemptions post this date. The Special Administrators continue to work with the ATO in regards to having WDLAC approved as a PBI for the period prior to 3 December 2012.

As a result, the FBT liability for the 2008 to 2013 financial years is approximately \$225,560. This amount has been disclosed as a contingent liability. Refer to note 22 for further detail.

## Directors' Report

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Corporation expects to continue developing its principal activities as disclosed in page 2 of the Director's report.

### ENVIRONMENTAL REGULATION AND PERFORMANCE

To the best of the Corporation's knowledge the Corporation is not subject to any particular or significant environmental regulation under a Commonwealth, state or territory law.

### INSURANCE OF OFFICERS

During the year the Corporation paid a premium to insure the Directors and managers of the Corporation.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Corporation, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Corporation. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court for leave to bring proceedings on behalf of the Corporation or to intervene in any proceedings to which the Corporation is a party for the purpose of taking responsibility on behalf of the Corporation for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 169-5 of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 339-50 of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* is set out on page 29.

### DIRECTORS' MEETINGS

During the financial year, in addition to regular Board discussions, the number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

Name	Number of Meetings Eligible to Attend	Number of Meetings Attended
Brian Samson ( <i>Ngarrarukulka (Ngayunanalku)</i> )	10	10
Teddy Biljabu ( <i>Rirrakaja</i> )	10	10
Greg Peterson ( <i>Walakaja</i> )	10	4
Evelyn Mitchell ( <i>Pitjikalri</i> )	10	10
Sidney Tinker ( <i>Rirrakaja Rakaja</i> )	10	7
Barbara Hale ( <i>Karlamyngurrara</i> )	10	10
Graham Dunn ( <i>Karlamyngurrara</i> )	10	1
Margaret Samson ( <i>Ngarrarukulka (Ngayunanalku)</i> )	10	7
Neil Bidu ( <i>Rirrakaja Elder</i> )	10	8
Mitchell Biljabu ( <i>Rirrakaja Elder</i> )	10	10
Milton Chapman ( <i>Karlamyngurrara</i> )	10	10
Bruce Booth ( <i>Pilakaja</i> )	10	10
Rodney Walker ( <i>Pitjikalri</i> )	10	1
Peggy Gibbs ( <i>Rirrakaja</i> )	10	10
Roslyn Pindan ( <i>Walakaja</i> )	6	4
Greg Billycan ( <i>Walakaja</i> )	6	5
Joslyn Peterson Mongoo ( <i>Pilakaja</i> )	6	3
Colin Peterson ( <i>Pilakaja</i> )	4	4
Christine Thomas ( <i>Walakaja</i> )	4	-
Peggy Peterson ( <i>Pilakaja</i> )	4	4

This report is signed in accordance with a resolution of the Special Administrators.



**Jack James**  
**Special Administrator**  
19 November 2015  
Perth, Western Australia

# Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

## Statement of Comprehensive Income for the year ended 30 June 2015

	NOTE	CONSOLIDATED ENTITY		WDLAC	
		2015	2014	2015	2014
			*Restated		*Restated
		\$	\$	\$	\$
<b>REVENUE</b>					
Revenue from services	3	2,845,456	5,439,046	2,372,722	4,004,778
Revenue from sale of goods	23	538,466	-	-	-
Interest		3,359	3,289	2,386	3,280
Other income	3	547,699	710,249	491,841	539,588
<b>Revenue from ordinary activities</b>		<b>3,934,980</b>	<b>6,152,584</b>	<b>2,866,949</b>	<b>4,547,646</b>
<b>EXPENSES</b>					
Cost of sales	23	426,695	-	-	-
Contractors and consultants	4c	1,061,554	1,374,914	873,863	947,418
Motor vehicles		257,514	253,635	184,432	248,954
Travel and meetings		379,099	543,156	357,349	516,841
Rent		181,112	177,006	181,112	106,471
Ancillary costs, fees and provisions		925,232	1,409,095	411,802	1,376,449
Depreciation	4b	178,953	134,855	153,786	116,530
Employees expenses	4a	2,096,207	2,199,600	1,781,387	1,805,379
Finance charges	4d	16,466	3,874	6,109	3,178
Other expenses	4e	384,389	66,770	517,507	59,035
Loss/(gain) on financial assets at FV		432,426	(1,810,000)	-	-
<b>Expenses from ordinary activities</b>		<b>6,339,647</b>	<b>4,352,905</b>	<b>4,467,347</b>	<b>5,180,255</b>
<b>(Loss)/Profit for the year attributable to the members of the Corporation</b>		<b>(2,404,667)</b>	<b>1,799,679</b>	<b>(1,600,398)</b>	<b>(632,609)</b>
<b>Total comprehensive income for the year attributable to the members of the Corporation</b>		<b>(2,404,667)</b>	<b>1,799,679</b>	<b>(1,600,398)</b>	<b>(632,609)</b>

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

\*See note 1 (r) for details about restatements as a result of an error in the comparative year.

# Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

## Statement of Financial Position as at 30 June 2015

	NOTE	CONSOLIDATED ENTITY		WDLAC	
		2015	2014 *Restated	2015	2014 *Restated
		\$	\$	\$	\$
<b>CURRENT ASSETS</b>					
Cash and other equivalents	5	209,120	1,683,838	64,639	475,077
Trade and other receivables	6	341,681	1,235,371	251,578	1,159,159
Inventory	23	53,641	-	-	-
Other current assets	7	121,737	96,126	119,614	168,400
<b>TOTAL CURRENT ASSETS</b>		<b>726,179</b>	<b>3,015,335</b>	<b>435,831</b>	<b>1,802,636</b>
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	9	1,068,112	767,743	495,730	701,116
Intangibles assets	23	60,000	-	-	-
Other non-current financial assets	8	1,484,574	1,917,000	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,612,686</b>	<b>2,684,743</b>	<b>495,730</b>	<b>701,116</b>
<b>TOTAL ASSETS</b>		<b>3,338,865</b>	<b>5,700,078</b>	<b>931,561</b>	<b>2,503,752</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	10	595,210	265,937	490,058	192,888
Deferred Revenue	13	175,510	125,000	175,510	125,000
Provisions	11a	44,299	141,539	37,150	137,057
Other current liabilities	12	121,470	329,642	93,780	286,967
<b>TOTAL CURRENT LIABILITIES</b>		<b>936,489</b>	<b>862,118</b>	<b>796,498</b>	<b>741,912</b>
<b>NON- CURRENT LIABILITIES</b>					
Provisions	11b	24,338	55,255	24,338	50,717
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>24,338</b>	<b>55,255</b>	<b>24,338</b>	<b>50,717</b>
<b>TOTAL LIABILITIES</b>		<b>960,827</b>	<b>917,373</b>	<b>820,836</b>	<b>792,629</b>
<b>NET ASSETS</b>		<b>2,378,038</b>	<b>4,782,705</b>	<b>110,725</b>	<b>1,711,123</b>
<b>MEMBERS FUNDS</b>					
Retained earnings	14	2,378,038	4,782,705	110,725	1,711,123
<b>TOTAL EQUITY</b>		<b>2,378,038</b>	<b>4,782,705</b>	<b>110,725</b>	<b>1,711,123</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

\*See note 1 (r) for details about restatements as a result of an error in the comparative year.



# Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

## Statement of Cash Flows for the year ended 30 June 2015

	NOTE	CONSOLIDATED ENTITY		WDLAC	
		2015	2014	2015	2014
		\$	*Restated \$	\$	*Restated \$
<b>Cash flows from operating activities</b>					
Receipts from customers (inclusive GST)		4,634,171	5,741,602	3,518,788	5,789,109
Grants and other receipts		212,497	404,949	80,289	234,279
Money received on behalf of trust		-	(53,675)	-	(128,675)
Payments to suppliers, employees and others (inclusive GST)		(5,694,303)	(4,975,150)	(3,983,736)	(5,746,491)
Interest paid		(16,466)	(3,934)	(6,106)	(3,178)
<b>Net cash (outflow)/inflow from operating activities</b>	15	<b>(864,101)</b>	<b>1,113,792</b>	<b>(390,765)</b>	<b>145,044</b>
<b>Cash flows from investing activities</b>					
Interest received		(2,374)	3,279	(2,352)	3,279
Payments for property, plant and equipment		(632,746)	(391,025)	(41,824)	(391,025)
Proceeds from sale of property, plant and equipment		24,503	-	24,503	-
<b>Net cash (outflow) from investing activities</b>		<b>(610,617)</b>	<b>(387,746)</b>	<b>(19,673)</b>	<b>(387,746)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(1,474,718)</b>	<b>726,046</b>	<b>(410,438)</b>	<b>(242,702)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>1,683,838</b>	<b>957,792</b>	<b>475,077</b>	<b>717,779</b>
<b>Cash and cash equivalents at the end of the financial year</b>	15b	<b>209,120</b>	<b>1,683,838</b>	<b>64,639</b>	<b>475,077</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

\*See note 1 (r) for details about restatements as a result of an error in the comparative year.

## Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

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### Statement of Changes in Equity for the year ended 30 June 2015

	CONSOLIDATED ENTITY \$	WDLAC \$
Opening balance as at 1 July 2013	2,983,026	2,343,732
Total comprehensive (deficit) / surplus for the year	1,799,679	(632,609)
<b>Balance as at 30 June 2014</b>	<b>4,782,705</b>	<b>1,711,123</b>
Opening balance as at 1 July 2014	4,782,705	1,711,123
Total comprehensive (deficit) / surplus for the year	(2,404,667)	(1,600,398)
<b>Balance as at 30 June 2015</b>	<b>2,378,038</b>	<b>110,725</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

See note 1 (r) for details about restatements as a result of an error in the comparative year.

# Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

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The financial report of Western Desert Lands Aboriginal Corporation ('WDLAC') and its controlled entities ('the Corporation' or 'Consolidated Entity') for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the Special Administrators on 19 November 2015. WDLAC is an entity incorporated in Australia under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* ('CATSI Act'). The nature of the operations and the principal activities of the Consolidated Entity are described in the Directors' Report.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### a. Basis of preparation of the financial statements

These general purpose financial statements are required by Clause 1(b) of Schedule 1 to the Commonwealth Authorities and Companies act general purpose financial statements. These statements have been prepared in accordance with Australian Accounting Standards which include Australian Equivalents to International Financial Reporting Standards (IFRS) and interpretations issued by the Australian Accounting Standards Board ('AASB') that apply for the reporting period.

#### *Historical cost convention*

The financial statements have been prepared on an accrual basis under the historical cost convention except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the account policies below.

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefit will be required and the amounts of the assets or liabilities can be reliably measured.

Revenues and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefit has occurred and can be reliably measured.

#### *Functional currency*

Companies in the consolidated entity have to determine their functional currencies based on the primary economic environment in which each entity operates. In order to do that management has to analyse several factors, including which currency mainly influences sales prices of product sold by the entity, which currency influences the main expenses of providing services, in which currency the entity has received financing, and in which currency it keeps its receipts from operating activities. For WDLAC and its controlled subsidiaries management have determined that the Australian dollar is the functional currency.

#### *Going concern*

These Financial Statements have been prepared using a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. As at 30 June 2015 the Consolidated Entity had cash of \$209,120 (2014: \$1,683,838) and a net current asset deficiency of \$210,310 (2014: positive net current assets of \$2,153,217), having recorded a net loss after tax for the period of \$2,404,667 (2014: profit of \$1,799,679). The consolidated entity had net cash outflows from operations for the year of \$864,101 (2014: \$1,113,792 net cash inflows). These conditions indicate a material uncertainty which may cast significant doubt as to whether the Consolidated Entity can continue as a going concern.

The Special Administrators have prepared a cash flow forecast, which indicates that the Consolidated Entity will have sufficient cash flows to meet all commitments and working capital requirements for the 12 months period from the date of this report. Based on the cash flows forecast and other factors refer to below, the Special Administrators are satisfied that the going concern basis of preparation is appropriate. It is their expectation that the Consolidated Entity's financial position will be strengthened as the result of the appointment of the Special Administrators and the restoration of operational control. The following key measures will be taken as part of the Special Administration:

- i. Workforce reorganisation to reduce operational costs;
- ii. Improvement of the cost approval processes and controls;
- iii. Regular analysis of aged accounts receivables and setting up of procedures to recover aged balances; and
- iv. Negotiations with mining companies.

The Special Administrators believe that the Consolidated Entity will be successful in implementing these initiatives as required and, accordingly, have prepared the financial statements on a going concern basis. Notwithstanding this, there is a risk that the Consolidated Entity may not be successful in implementing these initiatives or alternative options which may be available to the Consolidated Entity, and as such there is material uncertainty which may cast a significant doubt about the Consolidated Entity's ability to continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. No adjustments have been made relating to the recoverability or classification of recorded assets and liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

## Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

### b. New, revised or amended accounting standards and interpretations

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The application of these Standards and Interpretations does not have any material impact on the Consolidated Entity's consolidated financial statements.

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below:

<b>Standard/Interpretation</b>	<b>Effective for annual reporting periods beginning on or after</b>	<b>Expected to be initially applied in the financial year ending</b>
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15.	1 January 2017	30 June 2018
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortization'.	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

There are no other Standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Consolidated Entity. The Consolidated Entity has not finalised their assessment of the impact that the new, revised or amending Accounting Standards and Interpretations will have on the Consolidated Entity's consolidated financial statements.

### c. Revenue recognition

#### *Revenue from service*

Revenue from the rendering of a service is recognised by reference to the stage of completion of the contract at the reporting date. The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- The probable economic benefits with the transaction will flow to the entity.

Revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. Estimates of revenues or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues are reflected in the statement of comprehensive income in the period in which the circumstances that give rise to the revision become known.

#### *Revenue from sale of goods*

The Corporation operates the Nullagine food store since August 2014. Revenue from the sale of goods is recognised when the entity sells a product to the customer.

#### *Interest*

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the relevant asset.

#### *Government grants*

Revenue from grants received from Government funding organizations is recognised when received, and is deferred as a liability to the extent that unspent grants are required to be repaid to the funding organization.

### d. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash is recognised at its nominal amount.

## Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

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### e. Trade receivables

Trade and other receivables are initially stated at fair value and subsequently measured at amortised cost, less impairment losses. Trade receivables comprise amounts due from customers for metal sales in the ordinary course of business.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

### f. Other financial assets

The Consolidated Entity classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another Entity. In the case of a transfer to another Entity, it is necessary that the risks and rewards of ownership are also transferred. Financial liabilities are derecognised when the obligation under the contract is discharged or cancelled or expired.

#### (i) Other financial assets

Other financial assets comprising principally marketable equity securities are non-derivatives that are either designated in this category or not included in any of the above categories.

Gains and losses arising from changes in fair value included in the Statement of Comprehensive Income.

### g. Trade and other payables

Trade and other payables are initially stated at fair value and subsequently measured at amortised cost. The amounts are unsecured and usually paid within 90 days of recognition.

### h. Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less any estimated selling costs. Cost includes those costs incurred in bringing each component of inventory to its present location and condition.

### i. Contingencies

Contingent liabilities are defined as possible obligations resulting from past events whose existence depends on future events, obligations that are not recognised because it is not probable that they will lead to an outflow of resources, or obligations that cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the statement of financial position other than as part of a business combination, but are disclosed in the notes to the financial statements, with the exception of contingent liabilities where the probability of the liability occurring is remote.

### j. Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current and future reporting.

The depreciation rates applying to each class of depreciable asset are as follows:

- Computer Equipment	20%
- Leasehold Improvements	20%
- Motor vehicles	22%
- Household Items	15%
- Office equipment	20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are recognised in other income/expense in the Statement of Comprehensive Income.

## Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

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### k. Impairment

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and at the end of each financial year. When indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying value.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### l. Employee benefits

Provision is made for the Consolidated Entity's liability for employee benefits and termination indemnities arising from services rendered by employees to balance date.

#### (i) Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for accumulated annual leave is recognized in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

#### (ii) Long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognized in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) Defined contribution superannuation expense

Contributions are made to the employee contribution superannuation fund of their choice and are expensed in the period in which they are incurred.

### m. Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

### n. Taxation

WDLAC and its controlled entities are exempt from all forms of taxation except fringe benefits tax and the goods and service tax (GST).

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position. The cash flow statement discloses the GST component of investing and financing activities as operating cash flows.

### o. Intangible assets

#### (i) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and jointly controlled entities. Goodwill represents the excess of the cost of acquisition over the consolidated entity's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative it is recognised immediately in profit or loss. Goodwill is not amortised and is subsequently measured at cost less accumulated impairment losses.

### p. Principles of consolidation

#### (i) Subsidiaries

The consolidated financial report comprises the financial statements of the Company and its controlled entities.

The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Where a subsidiary enters or leaves the consolidated entity during the year, its operating results are included or

## Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

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excluded from the date control was obtained or until the date control ceased. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those applied by the parent entity. Refer to Note 16.

### q. Fair value of assets

The Consolidated Entity measures some of its assets at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the Consolidated Entity would receive to sell an in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

#### Valuation techniques

In the absence of an active market for an identical asset, the Consolidated Entity selects and uses one or more valuation techniques to measure the fair value of the asset. The Consolidated Entity selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset being measured. The valuation techniques selected by the Consolidated Entity are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset, including assumptions about risks. When selecting a valuation technique, the Consolidated Entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

#### Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

##### Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets that the entity can access at the measurement date. Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly.

##### Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly.

##### Level 3

Measurements based on unobservable inputs for the asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset is included in Level 2. If one or more significant inputs are not based on observable market data, the asset is included in Level 3.

The Consolidated Entity would change the categorisation within the fair value hierarchy only if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Consolidated Entity recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

## Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

### r. Comparatives

Where necessary prior year comparatives have been amended to facilitate comparison with the current year's presentation of financial information.

#### Correction of errors

Some of the amounts reported for the previous period have been restated to correct the following errors detected:

- Martu United Pty Ltd which is a wholly owned subsidiary of WDLAC is a trustee of two Trusts (Refer to note 2(ii)). As at June 2014 the Martu United Direct Benefit Trust was consolidated in WDLAC consolidated financial statements. During the year ended 30 June 2015, management determined that WDLAC did not control this Trust and therefore it should not be consolidated in accordance with AASB 10.
- A net overstatement of revenue for services as at 30 June 2014. The effect of the error was the overstatement of the profit for the 30 June 2014 financial year in \$29,411.
- An error in respect of the impairment of assets for an amount of \$7,735. The error resulted from the lack of identification of the requirement to impair those assets as at 30 June 2014.

In addition, GST has been reclassified to be presented net in order to ensure the 2014 figures are comparable to the current financial year.

The tables below shows the summary effect of the required adjustments:

	CONSOLIDATED ENTITY				WDLAC		
	2014		2014		2014		2014
	Restated	Increase/ (Decrease) Trust	Increase/ (Decrease)	\$	Restated	Increase/ (Decrease)	\$
<b>REVENUE</b>							
Revenue from ordinary activities	6,152,584	(40,000)	(29,410)	6,221,994	4,547,646	(29,410)	4,577,056
<b>EXPENSES</b>							
Other expenses	66,770	-	7,735	59,035	59,035	-	59,035
Finance changes	3,874	(60)	-	3,934	3,178	-	3,178
Ancillary cost, fees and provisions	1,409,095	(40,000)	-	1,449,095	1,376,447	-	1,376,447
<b>Expenses from ordinary activities</b>	<b>4,352,905</b>	<b>(40,060)</b>	<b>7,735</b>	<b>4,385,230</b>	<b>5,180,257</b>	<b>-</b>	<b>5,180,257</b>
<b>Profit for the year attributable to the members of the Consolidated Entity</b>	<b>1,799,679</b>	<b>60</b>	<b>(37,146)</b>	<b>1,836,764</b>	<b>(632,609)</b>	<b>(29,410)</b>	<b>(603,199)</b>



# Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

	CONSOLIDATED ENTITY					WDLAC				
	2014	Increase/ (Decrease)			2014	2014	Increase/ (Decrease)		2014	
	Restated \$	Trust	GST	Other		Restated \$	GST	Other	\$	
Cash	1,683,838	(58,392)	-	-	1,742,230	475,077	-	-	475,077	
Trade and other receivables	1,235,371	-	(2,188,404)	95,590	3,328,185	1,159,159	(2,168,894)	95,590	3,232,463	
Plant and equipment	767,743	(7,735)	-	-	775,478	701,116	-	-	701,116	
Trade and other payables	265,937	-	(2,188,404)	-	2,454,341	192,888	(2,168,894)	-	(2,361,782)	
Other current liabilities	329,642	(58,452)	-	-	388,094	286,967	-	-	286,967	
Deferred Revenue	125,000	-	-	125,000	-	125,000	-	125,000	-	
<b>NET ASSETS TOTAL EQUITY</b>	<b>4,782,705</b>	<b>(7,675)</b>	<b>-</b>	<b>(29,410)</b>	<b>4,819,790</b>	<b>1,711,123</b>	<b>-</b>	<b>(29,410)</b>	<b>1,740,534</b>	
	<b>4,782,705</b>	<b>(7,675)</b>	<b>-</b>	<b>(29,410)</b>	<b>4,819,790</b>	<b>1,711,123</b>	<b>-</b>	<b>(29,410)</b>	<b>1,740,534</b>	

## 2. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events; management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are

### (i) Financial assets at Fair value:

As at balance date, the Consolidated Entity holds 4,500,000 'Share Options exercisable at a price of \$0.50 per option and an expiration date of 28 February 2017, after which time, if not exercised they will lapse. The fair value of options is calculated at 30 June 2015 using the Black-Scholes Option Pricing Model. The Black-Scholes model inputs for the options held at 30 June 2015 are set out below:

Valuation date	Expiry date	Exercise price	Number of options	Share price at valuation	Risk free rate	Share price volatility
30/06/2015	28/02/2017	\$0.50	4,500,000	\$0.72	2.01%	62.7%

To provide an indication about the reliability of the inputs used in determining fair value, the Consolidated Entity has considered the classification into three levels prescribed under the accounting standards and has determined that the financial assets at FV as at the end of the current financial year amounted to \$1,484,574 and comparative financial year amounted to \$1,917,000 are Level 2 financial instruments.

There were no transfers between levels for recurring fair value measurements during the year.

### (ii) Subsidiaries Consolidation:

Martu United Pty Ltd which is a wholly owned subsidiary of WDLAC (refer to note 17b) is also a trustee of the following:

- Martu United Direct Benefit Trust
- Martu United Charitable Trust,

which were established in December 2013. The Special Administrators have determined that WDLAC does not meet the requirements of control as per AASB 10 in regards to the Trusts. The Trusts are not controlled by WDLAC given WDLAC is not a beneficiary of the Trusts and only beneficiaries have the right to variable returns generated by the Trusts and the power over these entities to affect that return.

## Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

	CONSOLIDATED ENTITY		WDLAC	
	2015	2014	2015	2014
		Restated		Restated
	\$	\$	\$	\$
<b>3. REVENUE</b>				
<i>Revenue from services</i>				
Operational Support	1,172,272	3,681,242	1,116,695	2,744,244
Operational Revenue	1,673,184	1,355,147	1,256,027	1,260,534
Heritage Survey	-	402,657	-	-
	<b>2,845,456</b>	<b>5,439,046</b>	<b>2,372,722</b>	<b>4,004,778</b>
<i>Other income</i>				
Business Support Grant	-	150,000	-	-
Other Grants	4,996	-	4,996	-
Other income –(a)	542,703	560,249	486,845	539,588
	<b>547,699</b>	<b>710,249</b>	<b>491,841</b>	<b>539,588</b>
(a) <i>Other income</i>				
The consolidated entity other income includes recoverable expenses amounted to \$356,254 (2014: \$305,309).				
<b>4. EXPENSES</b>				
<b>Note 4a. Employee expenses</b>				
Wages and Salaries	1,877,083	1,936,796	1,592,465	1,579,594
Leave and other entitlements	51,391	84,060	44,242	79,549
Superannuation	167,733	178,744	144,680	146,236
<b>Total employee expenses</b>	<b>2,096,207</b>	<b>2,199,600</b>	<b>1,781,387</b>	<b>1,805,379</b>
<b>Note 4b. Depreciation</b>				
Computer Equipment	13,581	12,597	10,662	8,947
Leasehold improvements	24,972	17,715	14,172	17,715
Motor vehicles	117,249	77,574	105,801	62,899
Household Items & Artwork	10,890	12,812	10,890	12,812
Office equipment	12,261	14,157	12,261	14,157
<b>Total depreciation</b>	<b>178,953</b>	<b>134,855</b>	<b>153,786</b>	<b>116,530</b>
<b>Note 4c: Contractors and consultants</b>				
Legal	341,535	631,451	340,729	416,293
IT	49,991	36,277	49,026	28,768
Accounting and Auditing	86,714	28,447	19,000	28,448
Chief Financial Officer	292,400	347,700	292,400	347,700
Other	290,914	331,039	172,708	126,209
<b>Total contractors and consultants</b>	<b>1,061,554</b>	<b>1,374,914</b>	<b>873,863</b>	<b>947,418</b>
<b>Note 4d: Finance charges</b>				
Interest and bank charges	16,466	3,874	6,109	3,178
<b>Total finance charges</b>	<b>16,466</b>	<b>3,874</b>	<b>6,109</b>	<b>3,178</b>

# Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

	CONSOLIDATED ENTITY		WDLAC	
	2015	2014	2015	2014
		Restated		Restated
	\$	\$	\$	\$
<b>4. EXPENSES continued</b>				
<b>Note 4e: Other Expenses</b>				
Bad and doubtful debts	227,796	(23,099)	366,494	(23,099)
Community support	87,672	82,133	82,092	82,134
Loss in sale of assets	9,276	-	9,276	-
Impairment of assets	59,645	7,736	59,645	-
<b>Total other expenses</b>	<b>384,389</b>	<b>66,770</b>	<b>517,507</b>	<b>59,035</b>

## 5. CASH AND CASH EQUIVALENTS

Cash on Deposit - WDLAC	64,639	475,077	64,639	475,077
Cash on Deposit - MMS	8,088	270,311	-	-
Cash on Deposit - DFS	43,563	-	-	-
Cash on Deposit - MALAC	89,412	938,448	-	-
Cash on Hand - DFS	3,418	-	-	-
<b>Total cash and cash Equivalent</b>	<b>209,120</b>	<b>1,683,838</b>	<b>64,639</b>	<b>475,077</b>

## 6. TRADE AND OTHER RECEIVABLES

Trade Receivables	571,911	989,304	572,483	775,456
Provision for Doubtful Debts	(262,399)	(46,077)	(323,226)	(46,077)
<b>Total trade receivables</b>	<b>309,512</b>	<b>943,227</b>	<b>249,257</b>	<b>729,379</b>
Other Debtors	-	262,601	-	402,759
Martu Debtors	16,365	29,543	13,845	27,021
Provision for Doubtful Debts- Martu Debtors	(11,524)	-	(11,524)	-
GST Receivable	27,328	-	-	-
<b>Total other receivables</b>	<b>32,169</b>	<b>292,144</b>	<b>2,321</b>	<b>429,780</b>
<b>Total trade and other receivables</b>	<b>341,681</b>	<b>1,235,371</b>	<b>251,578</b>	<b>1,159,159</b>

### Trade receivables are aged as follows:

Due by:				
Less than 30 days	135,004	648,218	167,940	484,109
30 to 60 days	112,301	40,322	104,685	-
60 to 90 days	186,476	50,828	185,295	50,078
More than 90 days	138,130	249,936	114,563	241,269
<b>Total trade receivables</b>	<b>571,911</b>	<b>989,304</b>	<b>572,483</b>	<b>775,456</b>

### Provision for doubtful debts is aged as follows:

Due by:				
Less than 30 days	(3,959)	-	(64,786)	-
30 to 60 days	(2,000)	-	(2,000)	-
60 to 90 days	(185,295)	-	(185,295)	-
More than 90 days	(71,145)	(46,077)	(71,145)	(46,077)
<b>Total provision for doubtful debts</b>	<b>(262,399)</b>	<b>(46,077)</b>	<b>(323,226)</b>	<b>(46,077)</b>

# Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

	CONSOLIDATED ENTITY		WDLAC	
	2015	2014	2015	2014
		Restated		Restated
	\$	\$	\$	\$
<b>7. OTHER CURRENT ASSETS</b>				
Prepayments	50,776	27,539	48,675	24,813
Security Bond	70,961	68,587	70,939	68,587
Money held in trust - MALAC	-	-	-	75,000
<b>Total other current assets</b>	<b>121,737</b>	<b>96,126</b>	<b>119,614</b>	<b>168,400</b>

## 8. OTHER NON-CURRENT FINANCIAL ASSETS

Share Options	1,484,574	1,917,000	-	-
<b>Total other non-current Financial assets</b>	<b>1,484,574</b>	<b>1,917,000</b>	<b>-</b>	<b>-</b>

As part of the Mining Development Agreement reached between WDLAC and Reward Minerals, 4,500,000 'Share Options exercisable at a price of \$0.50 per option and an expiration date of 28 February 2017, after which time, if not exercised they will lapse. As at balance date, these options have not yet been exercised. These options were valued as at 30 June 2015 under the Black Sholes model, using an exercisable period of 51 months. The shares options are valued at balance sheet date at \$1,484,574. Refer to note 2(i) and inputs used in the valuation.

## 9. PROPERTY, PLANT AND EQUIPMENT

Land & Buildings	376,420	-	-	-
Less: Accumulated depreciation	-	-	-	-
	376,420	-	-	-
Office Equipment – at cost	129,784	125,324	129,783	125,324
Less: Accumulated depreciation	(80,213)	(67,952)	(80,213)	(67,952)
	49,571	57,372	49,570	57,372
Computer Equipment – at cost	125,533	108,168	101,412	84,049
Less: Accumulated depreciation	(68,956)	(55,374)	(56,516)	(45,854)
	56,577	52,794	44,896	38,195
Motor vehicles - at cost	624,141	629,896	555,110	560,863
Less: Accumulated depreciation	(300,696)	(115,780)	(272,245)	(98,775)
	323,445	514,116	282,865	462,088
Household items & Art - at cost	118,184	118,184	118,184	118,184
Less: Accumulated depreciation	(56,473)	(45,583)	(56,473)	(45,583)
	61,711	72,601	61,711	72,601
Leasehold improvements - at cost	314,090	159,590	159,590	159,590
Less: Accumulated depreciation	(113,702)	(88,730)	(102,902)	(88,730)
	200,388	70,860	56,688	70,860
<b>Total Property, Plant &amp; Equipment</b>	<b>1,068,112</b>	<b>767,743</b>	<b>495,730</b>	<b>701,116</b>

## Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

### 9. PROPERTY, PLANT AND EQUIPMENT continued

CONSOLIDATED ENTITY							
	Land & Buildings	Office Equipment	Computer Equipment	Motor Vehicles	Household Items & Artwork	Leasehold Items	Total
<b>Opening balances as at 1 July 2013</b>	-	71,061	60,162	214,098	85,413	88,575	519,309
Plus: Additions 2014	-	468	5,229	385,328	-	-	391,025
Less: Impairment 2014	-	-	-	(7,736)	-	-	(7,736)
Less: Depreciation 2014	-	(14,157)	(12,597)	(77,574)	(12,812)	(17,715)	(134,855)
<b>Closing Balance as at 30 June 2014</b>	-	57,372	52,794	514,116	72,601	70,860	767,743
Plus: Additions 2015	376,420	4,460	17,364	20,002	-	154,500	572,746
Less: Disposals 2015	-	-	-	(33,779)	-	-	(33,779)
Less: Impairment 2015	-	-	-	(59,645)	-	-	(59,645)
Less: Depreciation 2015	-	(12,261)	(13,581)	(117,249)	(10,890)	(24,972)	(178,953)
<b>Closing Balance as at 30 June 2015</b>	<b>376,420</b>	<b>49,571</b>	<b>56,577</b>	<b>323,445</b>	<b>61,711</b>	<b>200,388</b>	<b>1,068,112</b>
WDLAC							
		Office Equipment	Computer Equipment	Motor Vehicles	Household Items & Artwork	Leasehold Items	Total
<b>Opening balances as at 1 July 2013</b>		71,060	41,913	139,660	85,413	88,575	426,621
Plus: Additions 2014		469	5,229	385,327	-	-	391,025
Less: Depreciation expense 2014		(14,157)	(8,947)	(62,899)	(12,812)	(17,715)	(116,530)
<b>Closing Balance as at 30 June 2014</b>		57,372	38,195	462,088	72,601	70,860	701,116
Plus: Additions 2015		4,459	17,363	20,002	-	-	41,824
Less: Disposals 2015		-	-	(33,779)	-	-	(33,779)
Less: Impairment 2015		-	-	(59,645)	-	-	(59,645)
Less: Depreciation 2015		(12,261)	(10,662)	(105,801)	(10,890)	(14,172)	(153,786)
<b>Closing Balance as at 30 June 2015</b>		<b>49,570</b>	<b>44,896</b>	<b>282,865</b>	<b>61,711</b>	<b>56,688</b>	<b>495,730</b>

## Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

	CONSOLIDATED ENTITY		WDLAC	
	2015	2014	2015	2014
		Restated		Restated
	\$	\$	\$	\$
<b>10. TRADE AND OTHER PAYABLES</b>				
Trade payables	505,862	88,590	330,542	52,358
Other payables- related parties	-	-	75,612	-
<b>Total trade payables</b>	<b>505,862</b>	<b>88,590</b>	<b>406,154</b>	<b>52,358</b>
GST payable	89,348	138,957	83,904	102,140
Credit cards payable	-	38,390	-	38,390
<b>Total other payables</b>	<b>89,348</b>	<b>177,347</b>	<b>83,904</b>	<b>140,530</b>
<b>Total trade and other payables</b>	<b>595,210</b>	<b>265,937</b>	<b>490,058</b>	<b>192,888</b>
<b>11. PROVISIONS</b>				
<b>Note 11a: Provisions current</b>				
Employee Benefits	44,299	141,539	37,150	137,057
<b>Total provisions - current</b>	<b>44,299</b>	<b>141,539</b>	<b>37,150</b>	<b>137,057</b>
<b>Note 11b: Provisions Non-Current</b>				
Employee Benefits	24,338	55,255	24,338	50,717
<b>Total provisions - non-current</b>	<b>24,338</b>	<b>55,255</b>	<b>24,338</b>	<b>50,717</b>
<b>12. OTHER CURRENT LIABILITIES</b>				
Employee accruals payable	31,758	155,918	10,072	114,711
Other accrued expenses	19,000	26,667	19,000	25,200
Money held in trust	51,295	146,947	51,295	146,946
Other payables	19,417	110	13,413	110
<b>Total other current liabilities</b>	<b>121,470</b>	<b>329,642</b>	<b>93,780</b>	<b>286,967</b>
<b>13. DEFERRED REVENUE</b>				
Arising from customers (i)	175,510	125,000	175,510	125,000
<b>Total deferred revenue</b>	<b>175,510</b>	<b>125,000</b>	<b>175,510</b>	<b>125,000</b>
(i) The deferred revenue arises from billing invoices in relation tenement agreements issued in the current year but related to more than one financial year.				
<b>14. RETAINED EARNINGS</b>				
Balance 1 July	4,782,705	2,983,026	1,711,123	2,343,732
(Loss)/ Profit for the year	(2,404,667)	1,799,679	(1,600,398)	(632,609)
<b>Balance 30 June</b>	<b>2,378,038</b>	<b>4,782,705</b>	<b>110,725</b>	<b>1,711,123</b>

## Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

	CONSOLIDATED ENTITY		WDLAC	
	2015	2014	2015	2014
		Restated		Restated
	\$	\$	\$	\$
<b>15. CASH FLOW RECONCILIATION</b>				
(Loss)/ Profit after Income Tax	(2,404,667)	1,799,679	(1,600,398)	(632,609)
Less: Interest received	2,374	(3,279)	2,353	(3,281)
Add: Loss from sale of property, plant and equipment	9,274	-	9,274	-
Add: Impairment of assets	59,645	7,736	59,645	-
Gain/ (loss) on financial assets at FV	432,426	(1,810,000)	-	-
Add: Depreciation	178,953	134,855	153,786	116,530
<i>Changes in assets and liabilities</i>				
Decrease in debtors	921,019	1,114,913	982,583	827,740
(Increase) in inventory	(53,641)	-	-	-
(Increase) in prepayments	(23,236)	(25,085)	(23,863)	(23,539)
(Increase) in other debtors	(2,375)	(7,459)	(2,351)	(82,459)
Increase/(Decrease) in trade payables	378,881	(385,759)	315,405	(333,284)
Increase in deferred revenue	50,510	125,000	50,510	125,000
(Decrease)/ Increase in accruals	(112,520)	131,920	(97,536)	65,957
(Decrease)/ Increase in provisions	(128,157)	84,061	(126,286)	79,548
(Decrease)/ Increase in GST payable	(76,937)	889	(18,236)	59,116
(Decrease) in money held in trust	(95,650)	(53,679)	(95,651)	(53,675)
	<b>(864,101)</b>	<b>1,113,792</b>	<b>(390,765)</b>	<b>145,044</b>

### Note 15b: Reconciliation of cash

Reconciliation of cash at the end of the financial year to the related items in the financial report is as follows:

Total Cash and cash equivalents	209,120	1,683,838	64,639	475,077
	<b>209,120</b>	<b>1,683,838</b>	<b>64,639</b>	<b>475,077</b>

## 16. FINANCIAL RISK MANAGEMENT

This note explains the Consolidated Entity's exposure to financial risks and how these risks could affect the Consolidated Entity's future financial performance. As a result of the nature of the Consolidated Entity's business and internal policies dealing with the management of financial risk, the exposure to market, credit and liquidity is considered to be low.

### Market risk

#### a) Foreign currency risk

The Consolidated Entity is not exposed to any significant foreign currency risk. As at 30 June 2015 (30 June 2014) the Consolidated Entity does not have any financial assets or liability nominated in a currency different from AUD.

#### b) Price risk

The entity is exposed to equity price risk arising from equity investments. Equity investments are held for strategic rather than trading purposes. The entity does not actively trade these financial instruments.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the period.

If equity prices had been 5% higher/lower:

- Other gains or losses for the year ended 30 June 2015 would increase/ (decrease) by \$131,971 (2014: increase/ (decrease) by \$90,500) as a result of changes in fair value investments.

## Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

### 16. FINANCIAL INSTRUMENTS continued

#### c) Interest risk rate

	Floating Interest Rate		Non-Interest Bearing		Total		Weighted Average	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	%	%
<b>Financial Assets</b>								
Cash and Cash equivalents	209,120	1,683,838	-	-	209,120	1,683,838	1.3	2.5
Trade and other receivables	-	-	341,681	1,235,371	341,681	1,235,371	-	-
Security bond	-	-	70,961	68,587	70,961	68,587	-	-
Share option	-	-	1,484,574	1,917,000	1,484,574	1,917,000	-	-
<b>Total</b>	<b>209,120</b>	<b>1,683,838</b>	<b>1,897,216</b>	<b>3,220,958</b>	<b>2,106,336</b>	<b>4,904,796</b>		
<b>Financial Liabilities</b>								
Trade and other payables	-	-	505,862	88,590	505,862	88,590	-	-
GST payable	-	-	89,348	138,957	89,348	138,957	-	-
Credit cards	-	38,390	-	-	-	38,390	17.99	17.96
Money held in trust	-	-	51,295	146,947	51,295	146,947	-	-
<b>Total</b>	<b>-</b>	<b>38,390</b>	<b>646,505</b>	<b>374,494</b>	<b>646,505</b>	<b>412,884</b>		

#### Liquidity risk

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Consolidated Entity manage liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The maturity profile of the trade and other payables for the year ended 30 June 2015 and 30 June 2014 is within the 6 months. Also refer to Going Concern note 1 (a).

#### Credit Risk

Credit risk is the risk that counterparty fails to discharge an obligation to the Consolidated Entity. The Consolidated Entity is exposed only to the risk associated in terms of cash on deposit, receivables with customers and amounts owing from Martu people. The Consolidated Entity's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	CONSOLIDATED ENTITY	
	2015	2014
	\$	\$
Cash on deposit	209,120	1,683,838
Trade and other receivables	309,512	943,227
Martu debtors	4,841	29,543
<b>Total</b>	<b>523,473</b>	<b>2,656,608</b>



# Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

## 16. FINANCIAL INSTRUMENTS continued

### Impairment Trade receivables

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that impairment has been incurred but not yet been identified or if doubts exist in relation to the receivable recoverability. For these receivables the estimated losses are recognised in a separate provision.

The ' considers the following indicators:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. Impairment losses are recognised in profit or loss within other expenses.

Also refer to note 6.

## 17. RELATED PARTY TRANSACTIONS

### a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity, Directly or Indirectly, including any director is considered key management personnel.

#### Executive managers

The number of executives of the Consolidated Entity included in these figures are shown below in the relevant remuneration bands:

Above \$239,000	2	2
<b>Total number of executives managers of the Consolidated Entity</b>	<b>2</b>	<b>2</b>

Total remuneration- (a)	<u>779,535</u>	<u>765,423</u>
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#### (a) Total remuneration:

Remuneration includes salary, superannuation and associated costs paid to officers employed for the full year. The CFO was engaged through a consultancy agreement terminated in July 2015.

#### Directors

The number of Directors of the Consolidated Entity included in these figures are shown below in the relevant remuneration bands:

\$ Nil - \$149,999	19	16
\$150,000 - \$224,999	1	1
\$ 225,000 - \$239,000	-	-
<b>Total number of directors of the Consolidated Entity</b>	<b>20</b>	<b>17</b>

Remuneration	507,265	478,944
Expenses	47,179	27,994
<b>Total</b>	<b>554,444</b>	<b>506,938</b>

Remuneration relates to amounts provided for attending Board of Directors meetings including tax withheld. Expenses include travel, accommodation and flights paid to Directors to attend Board of Directors meetings.

#### Loans to related parties

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Total loan to directors</b>	<b>12,968</b>	<b>25,161</b>

## Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

### 17. RELATED PARTY TRANSACTIONS continued

#### b) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the parent entity; Western Desert Lands Aboriginal Corporation, and the subsidiaries listed as follows:

Name of Entity	Equity Holding	
	2015	2014
Martu Holdings Pty Ltd	100%	100%
Martu Mining Services Limited	100%	100%
Desert Food Security Pty Ltd	100%	-
Martu Aboriginal Law and Culture Aboriginal Corporation	100%	100%

Below is summarised the financial information for Martu Mining Services Limited and Martu Aboriginal Law and Culture Aboriginal Corporation. Refer to note 23 for the financial information of Desert Food Security Pty Ltd.

	Martu Mining Services Limited		Martu Aboriginal Law and Culture Aboriginal Corporation	
	2015 \$	2014 \$	2015 \$	2014 \$
Current assets	59,485	508,916	102,959	938,448
Non-current assets	1,792,821	1,983,627	625,612	-
<b>Total assets</b>	<b>1,852,306</b>	<b>2,492,543</b>	<b>728,571</b>	<b>938,448</b>
Current liabilities	43,715	144,254	1,460	215,158
<b>Total liabilities</b>	<b>43,715</b>	<b>144,254</b>	<b>1,460</b>	<b>215,158</b>
<b>Net assets</b>	<b>1,808,591</b>	<b>2,348,289</b>	<b>727,111</b>	<b>723,290</b>
Accumulated profits	1,808,591	2,348,289	727,111	723,290
<b>Total equity</b>	<b>1,808,591</b>	<b>2,348,289</b>	<b>727,111</b>	<b>723,290</b>
Revenue from services	508,054	666,440	117,127	938,497
<b>Revenue from ordinary activities</b>	<b>508,054</b>	<b>666,440</b>	<b>117,127</b>	<b>938,497</b>
Employee expenses	(275,475)	(394,221)	(14,385)	-
Administrative expenses	(314,684)	(347,160)	(98,920)	(215,207)
Other income / (expenses)	(457,593)	1,791,676	-	-
<b>Profit/(Loss) from continuing operations before income tax</b>	<b>(539,698)</b>	<b>1,716,735</b>	<b>3,822</b>	<b>723,290</b>
Income tax expense	-	-	-	-
<b>Profit/(Loss) from continuing operations after income tax</b>	<b>(539,698)</b>	<b>1,716,735</b>	<b>3,822</b>	<b>723,290</b>
<b>Other comprehensive income</b>				
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>(539,698)</b>	<b>1,716,735</b>	<b>3,822</b>	<b>723,290</b>

# Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

	CONSOLIDATED ENTITY		WDLAC	
	2015	2014	2015	2014
	\$	\$	\$	\$

## 18. AUDITOR REMUNERATION

The fair value of services provided:

Audit of the financial statements	19,000	25,200	19,000	25,200
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## 19. STAFFING LEVELS

	2015	2014
The average staffing levels for the entity during the year were:	9	11

## 20. SUBSEQUENT EVENTS

### Appointment of Special Administrators

On 13 July 2015, the Office of the Registrar of Indigenous Corporations ('ORIC') determined that WDLAC is to be under Special Administration and appointed Jack James and Paula Cowan as Special Administrators. The effect of the appointment was that the directors of WDLAC at the time of the appointment cease to hold office. The cost of the Special Administration is paid by ORIC.

In December 2014, ORIC retained an external contractor to undertake an Examination of WDLAC. Following receipt of the Examination report, on 21 April 2015, ORIC issued a Show Cause Notice under Section 487-10(1) of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* ('the CATSI Act') to WDLAC requiring it to show cause as to why ORIC should not determine that it be under Special Administration. Subsequently, WDLAC provided a response to ORIC. On 13 July 2015, ORIC determined to place WDLAC under Special Administration for a period of 6 months. The Special Administration is due to finish on 15 January 2016.

### Wright Corporate Services Pty Ltd

Following their appointment the Special Administrators terminated the consultancy agreement between the Corporation and Wright Corporate Services Pty Ltd. The consultancy agreement was for a term of four years and was due to end 31 March 2018. Subsequent to the termination, the Special Administrators received correspondence from legal advisers for Wright Corporate Services Pty Ltd claiming the consultancy agreement had been wrongfully terminated and as such Wright Corporate Services Pty Ltd would reserve their rights to claim damages against the Corporation. The CATSI Act provides that proceedings may not be commenced against the Corporation until the end of the Special Administration and as such this has been disclosed as a contingent liability. Refer to note 22 for further detail.

Further, the Special Administrators have formed the view, based upon further investigations, the consultancy agreement was terminated with cause and that no amounts are due and payable to Wright Corporate Services Pty Ltd. In addition, the Special Administrators consider that Wright Corporate Services Pty Ltd invoiced WDLAC (and received payment) for sums in excess of what it was entitled to under the consultancy agreement. The amount claimed to be paid in excess of the entitlement under the consultancy agreement is \$128,656 (excluding GST). On 30 October 2015, WDLAC issued an invoice to Wright Corporate Services Pty Ltd for this amount and demanded payment within 14 days. No response or payment was received. On 18 November 2015, the Special Administrators issued a Statutory Demand against Wright Corporate Services Pty Ltd for payment of the full amount within 21 days.

### WDLAC's registration as a Charity

On 31 August 2015, WDLAC received correspondence from the ATO stating that FBT returns for the 2008 to 2015 financial years were outstanding and were required to be lodged. In preparing these outstanding FBT returns, the Special Administrators became aware that, whilst WDLAC was registered as a charity with the ACNC, its registration only provided it with FBT Rebate concession.

Given WDLAC's objectives as a Registered Native Title Body Corporate, the Special Administrators consider that WDLAC would be eligible to apply for registration with the ACNC as a Public Benevolent Institution ('PBI'). Such registration would allow it to be eligible for FBT exemptions. The Special Administrators have been working with the ATO and the ACNC to apply for registration as a PBI from the date of incorporation in order to be eligible for FBT exemptions. On 19 November 2015 the Special Administrators received confirmation from the ACNC that WDLAC has been approved as a PBI with an effective date of 3 December 2012 and is therefore eligible for FBT exemptions post this date. The Special Administrators continue to work with the ATO in regards to having WDLAC approved as a PBI for the period prior to 3 December 2012.

## Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

### 20. SUBSEQUENT EVENTS continued

As a result, the FBT liability for the 2008 to 2013 financial years is approximately \$225,560. This amount has been disclosed as a contingent liability. Refer to note 22 for further detail.

There are no other known subsequent events as at 30 June 2015.

### 21. COMMITMENTS

The Consolidated Entity has entered into operating leases on certain properties relating to rental of offices. All leases include a clause to enable upward revision of rental charge on periodic basis according to prevailing market conditions and consumer price-index.

Future minimum rental expenses payable under the non-cancellable operating leases as at 30 June are as follows:

	CONSOLIDATED ENTITY		WDLAC	
	2015	2014	2015	2014
	\$	\$	\$	\$
Within one year	172,055	195,450	172,055	195,450
Later than one year but no later than 5 years	862,372	1,069,864	862,372	1,069,864
In more than 5 years	264,064	36,643	264,064	36,643
<b>Total Commitments</b>	<b>1,298,491</b>	<b>1,301,957</b>	<b>1,298,491</b>	<b>1,301,957</b>

### 22. CONTINGENT LIABILITIES

Following their appointment the Special Administrators terminated the consultancy agreement between the Corporation and Wright Corporate Services Pty Ltd. The consultancy agreement was for a term of four years and was due to end 31 March 2018. Subsequent to the termination, the Special Administrators received correspondence from legal advisers for Wright Corporate Services Pty Ltd claiming the consultancy agreement had been wrongfully terminated and as such Wright Corporate Services Pty Ltd would reserve their rights to claim damages against the Corporation. The CATSI Act provides that proceedings may not be commenced against the Corporation until the end of the Special Administration and as such this has been disclosed as a contingent liability. The estimated amount of potential liability has been calculated as \$183,000 which represents six months' fees under the agreement. The Special Administrators dispute the validity of this claim.

On 31 August 2015, WDLAC received correspondence from the ATO stating that FBT returns for the 2008 to 2015 financial years were outstanding and were required to be lodged. In preparing these outstanding FBT returns, the Special Administrators became aware that, whilst WDLAC was registered as a charity with the ACNC, its registration only provided it with FBT Rebate concession. Given WDLAC's objectives as a Registered Native Title Body Corporate, the Special Administrators consider that WDLAC would be eligible to apply for registration with the ACNC as a PBI. Such registration would allow it to be eligible for FBT exemptions. The Special Administrators are currently working with the ATO and the ACNC to retrospectively apply for registration as a PBI from the date of incorporation in order to be eligible for FBT exemption. The Special Administrators have been working with the ATO and the ACNC to apply for registration as a PBI from the date of incorporation in order to be eligible for FBT exemptions. On 19 November 2015 the Special Administrators received confirmation from the ACNC that WDLAC has been approved as a PBI with an effective date of 3 December 2012 and is therefore eligible for FBT exemptions post this date. The Special Administrators continue to work with the ATO in regards to having WDLAC approved as a PBI for the period prior to 3 December 2012. The contingent FBT liability for the 2008 to 2013 financial years is approximately \$225,560 as calculated by external tax advisers.

There are no other known contingent liabilities as at 30 June 2015.

## Western Desert Lands Aboriginal Corporation

Notes to and forming part of the Financial Statements as at 30 June 2015

### 23. DESERT FOOD SECURITY PTY LTD

Desert Food Security Pty Ltd acquired the freehold business known as the Nullagine Roadhouse and Minimart on 4 August 2014. Given the lack of availability of information in regards to the Nullagine Roadhouse and Minimart, Desert Food Security Pty Ltd has been removed from the scope of the 30 June 2015 audit. Below is summarised the 30 June 2015 financial information of Desert Food Security Pty Ltd.

	<b>2015</b>
	<b>\$</b>
Current assets	127,900
Non-current assets	536,420
<b>Total assets</b>	<b>664,320</b>
Current liabilities – (a)	993,542
<b>Total liabilities</b>	<b>993,542</b>
<b>Net assets</b>	<b>(329,222)</b>
Accumulated losses	(329,222)
<b>Total equity</b>	<b>(329,222)</b>
Revenue from sale of goods	538,466
Other income	17,795
<b>Revenue from ordinary activities</b>	<b>556,261</b>
Cost of sales	(426,695)
Other expenses	(458,788)
<b>Loss from continuing operations before income tax</b>	<b>(329,222)</b>
Income tax expense	-
<b>Loss from continuing operations after income tax</b>	<b>(329,222)</b>
<b>Other comprehensive income</b>	
Other comprehensive income for the year	-
<b>Total comprehensive loss for the year</b>	<b>(329,222)</b>

#### (a) Current Liabilities

Desert Food Security Pty Ltd.'s current liabilities include \$823,114 related to intercompany transactions, which are eliminated in the consolidated entity.

## Special Administrator's Declaration

30 June 2015

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1. In the opinion of the Special Administrator:

- a) the financial statements and notes of Western Desert Lands Aboriginal Corporation are in accordance with the Corporations (Aboriginal and Torres Strait Islander) Regulations 2007, including:
  - i. giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the period ended on that date; and
  - ii. complying with Accounting Standards (including the Australian Accounting Interpretations) other mandatory professional reporting requirements; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Special Administrators.



**Mr. Jack James**  
**Special Administrator**  
19 November 2015  
Perth, Western Australia

To The Special Administrators

### **Auditor's Independence Declaration under Section 339-50 of the Corporations (Aboriginal and Torres Strait Islander) Act 2006**

In accordance with section 339-50 of the Corporations (Aboriginal and Torres Strait Islander) Act 2006, I am pleased to provide the following declaration of Independence to the Special Administrators of Western Desert Lands Aboriginal Corporation.

As lead audit director for the audit of the financial statements of Western Desert Lands Aboriginal Corporation for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully



**BENTLEYS**  
Chartered Accountants



**DOUG BELL CA**  
Director

Dated at Perth this 19<sup>th</sup> day of November 2015

## Independent Auditor's Report

### To the Members of Western Desert Lands Aboriginal Corporation

We have audited the accompanying financial report of Western Desert Lands Aboriginal Corporation ("the Entity") and Controlled Entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Special Administrators of the Consolidated Entity, comprising the Corporation and the entities it controlled at the year's end or from time to time during the financial year.

Bentleys Audit & Corporate  
(WA) Pty Ltd

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### The Responsibility of the Special Administrators for the Financial Report

The Special Administrators are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* ("CATSIA"), and for such internal control as the Special Administrators determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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



# Independent Auditor's Report

To the Members of Western Desert Lands Aboriginal Corporation (Continued)



## Basis for Qualified Opinion

### Opening Balances

We were appointed as auditor of the Consolidated Entity subsequent to year end. We have not obtained sufficient appropriate audit evidence in relation to the Consolidated Entity to enable us to gather all information and explanations we require in order to form an opinion on the opening balances in the financial report. Accordingly, we were unable to determine whether adjustments might have been necessary in respect to opening balances and therefore as the opening balances enter into the determination of the results of operations and cash flows for the year ended 30 June 2015, we have been unable to determine whether any adjustments to the results of operations, cash flows and opening accumulated losses for the year ended 30 June 2015 might be necessary as a result.

### Investment in subsidiary company

During the financial year ended 30 June 2015, the Entity acquired a 100% interest in Desert Food Security Pty Ltd ("subsidiary company"). We were unable to obtain sufficient appropriate audit evidence in relation to the balances in the subsidiary company as at 30 June 2015 and its results of operations and cash flows for the period ended 30 June 2015. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. The balances of the subsidiary company have been consolidated into the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 30 June 2015. Refer to Note 23 for the balances and results of the subsidiary company for the year ended 30 June 2015.

## Qualified Auditor's Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the financial report of Western Desert Lands Aboriginal Corporation presents fairly; in all material respects, the Consolidated Entity's financial position and its financial performance for the year then ended in accordance with Australian Accounting Standards and the Finance Minister's Orders made under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* ("CATSIA").

## Emphasis of Matter – Going Concern

Without further qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the Consolidated Entity incurred a loss of \$2,404,667. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

**BENTLEYS**  
Chartered Accountants

**DOUG BELL CA**  
Director

Dated at Perth this 19<sup>th</sup> day of November 2015