

**Australian Indigenous Minority Supplier  
Office Limited (trading as "Supply Nation")**

ABN 50 134 720 362

General Purpose Tier 2 Financial Report  
(Reduced Disclosure Requirements)

30 June 2017

# Australian Indigenous Minority Supplier Office Limited

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# Australian Indigenous Minority Supplier Office Limited

## Directors' report

### For the year ended 30 June 2017

The Directors present their report together with the financial report of Australian Indigenous Minority Supplier Office Limited (the Company) for the financial year ended 30 June 2017 and the auditor's report thereon.

#### 1 Directors

The Directors of the Company at any time during or since the end of the financial year are:

##### **Name and responsibilities**

Leah Armstrong  
*Chair, Board of Directors*  
*Appointed 25 March 2015*

Justin Mohamed  
*Director*  
*Appointed 17 December 2015*

##### **Qualifications, experience and other directorships**

Leah is the Director of Wollotuka Institute at the University of Newcastle. As the CEO of Reconciliation Australia from 2010-2014, Leah led Reconciliation Australia into becoming a professional, trusted and innovative organisation. Leah was a co-founder of Yarnteen Ltd (1992-2009) — a successful Indigenous enterprise operating several commercial and social ventures including bulk warehousing, a car wash, a building company, a registered training organisation, cultural resource/education centres.

Leah, a Torres Strait Islander, has senior professional with over 20 year's business and not for profit experience. Leah has a strong demonstrated track record in achieving organisational results, creation and maintenance of strong networks and stakeholder relationships by working collaboratively with governments, community and the private sector.

In 2009, The Australian Financial Review Boss Magazine recognised Leah as a "True Leader" and in 2012 Leah was recognised in the inaugural 2012 Australian Financial Review/Westpac 100 Influential Women Awards.

Leah holds several Board positions including as Board member of The Smith Family, Member of CSIRO Indigenous Advisory Council, Director of First Australians Capital and Director of Indigenous Business Australia Asset Management. She held previous Board positions as Chairperson of Aboriginal Housing Office NSW, member of Prime Minister's Indigenous Advisory Council, Indigenous Business Australia and Chair of Indigenous Business Policy Advisory Group.

In 2010, Leah hiked the Kokoda Track as a mentor with the Jobs Australia Foundation Indigenous Youth Leadership Program.

Justin Mohamed is the Chief Executive Officer of Reconciliation Australia and a proud Aboriginal man of the Gooreng Gooreng nation near Bundaberg in Queensland. Justin has dedicated the past 25 years to working towards building a stronger and healthier nation for Aboriginal and Torres Strait Islander peoples. Justin believes that better health is linked to the positive outcomes of reconciliation, and that achieving better health for his people will lead to improved education and employment outcomes, financial security, social participation and respect.

At Reconciliation Australia, Justin leads the organisation in its vision to create a more just, equitable and reconciled Australia through key programs and initiatives, including Reconciliation Action Plans, Narragunnawali Reconciliation in Schools and Early Learning, and National Reconciliation Week.

# Australian Indigenous Minority Supplier Office Limited

## Directors' report (continued)

**For the year ended 30 June 2017**

### **1 Directors (continued)**

#### **Name and responsibilities**

#### **Qualifications, experience and other directorship**

Patrick Chaney  
*Director*  
*Appointed 23 March 2016*

Patrick Chaney is currently General Manager, Operations for St Ives Retirement Living, a Western Australian retirement village developer and operator. He's a seasoned construction management professional with 20 years' experience in commercial and industrial projects across Western Australia. For the last four years Patrick has worked as a consultant and manager in property development. For two years prior to joining St Ives, Patrick worked as a Project Management consultant with NANA Australia, a subsidiary of NANA Development Corporation (US Aboriginal Corporation), advising indigenous groups and corporations. Patrick has extensive experience in local, state and federal government procurement and contracting and is currently on the Property Council (WA) Committee for Retirement Living. He continues to be an active member of his community in Fremantle volunteering with local sporting and charitable organisations.

Jenny Boddington  
*Director*  
*Appointed 23 March 2016*

Jenny Boddington has over 23 years' experience in strategy, investment banking and private equity. She is currently Chairman of Latitude Insurance and a Director of NSW Treasury Corporation (TCorp) as well as a mentor with Merryck & Co.

Until July 2016, Jenny was Global Head, Bancassurance for QBE Group responsible for driving QBE's insurance business with financial institutions. Prior to that, Jenny was CEO and a Director of QBE Lenders' Mortgage Insurance Limited. She was also a Director of QBE Mortgage Insurance (Asia) Limited based in Hong Kong and Executive General Manager of Financial Institutions at QBE, responsible for bancassurance in the region, as well as marketing, organisational excellence, change and communications.

Before joining QBE, Jenny was Director of Private Equity for Deutsche Asset Management and a Director of Deutsche Bank investment banking in both Sydney and London.

Jenny has a Masters Honours degree in Metallurgy, Economics and Industrial Management from Oxford University.

# Australian Indigenous Minority Supplier Office Limited

## Directors' report (continued)

**For the year ended 30 June 2017**

Glenn Johnston  
*Director*  
*Appointed 9 January 2017*

Glenn Johnston has over 25 years' experience in procurement and logistics management across different industries and market leading companies, Glenn is a nationally recognised procurement expert and thought leader with a deep and proud passion for Indigenous business engagement. By helping Indigenous businesses grow and develop, Glenn firmly believes that this will lead to greater opportunities for Indigenous employment.

Glenn was the recipient of the 2016 Supply Nation Procurement Professional of the Year Award in recognition of his work developing and engaging Indigenous businesses. Glenn currently sits on the Supply Nation Leadership Roundtable and is a member of the Business Council of Australia's Indigenous Taskforce (Business Indigenous Network). He is a Fellow of CIPS and Chair of the NSW Chapter of CIPS, the globally recognised peak procurement and supply professional body with over 110,000 members.

Glenn is a Dharug man from Western Sydney and still lives on traditional Dharug land in Glenhaven.

Aaron Pedersen  
*Director*  
*Appointed 27 April 2017*

Aaron Pedersen has over 20 years' experience in digital product and marketing with a track record of delivering innovative products that drive customer and revenue growth. With a background in law, he has managed his own business from start up to sale and held senior roles in some of Australia's largest companies, bringing a unique combination of hands on entrepreneurial drive and creativity, with enterprise level discipline in analysis, strategy and programme management.

Aaron has demonstrated experience translating customer and market insight into relevant products and experiences, and ensuring these are communicated effectively to customers across all channels.

Through his years spent working in the digital economy, Aaron has gained a deep understanding of digital products, channels and audiences. Aaron believes that his skill-set will help shape the strategic digital direction for Supply Nation.

# Australian Indigenous Minority Supplier Office Limited

## Directors' report (continued)

**For the year ended 30 June 2017**

George Mifsud  
*Director*  
*Chair, Audit & Risk Committee*  
*Resigned, 28 March 2017*

Appointed as a Director to Supply Nation on 24 October 2012. Over the last 25 years George Mifsud has held senior Executive Leadership roles both nationally and internationally. In his role as Executive Director –Compass Group (1999 to 2014), George was responsible for HR/IR; Risk Management; Health, Safety, Environment and Quality; and Media Relations. George joined Compass Group, the world's largest catering, hospitality and support services organisation, in 1999 having previously worked in the contracting services and manufacturing industries originally as an electrical engineer before moving into Human Resources.

Under George's leadership, Compass Group achieved a number of milestones in its pursuit to promote Indigenous economic development including the following awards: Inaugural recipient of the Prime Minister's Corporate Leaders for Indigenous Employment Award; judged one of the "Top Ten Best Employers in Australia"; winner of the "Prime Minister's Employer of the Year" award ; the IFAP Safe Way Gold Award and in 2010, the Australian Mines and Metals Association (AMMA) "Industry Innovation" Award in recognition of our pioneering role in implementing Indigenous joint venture and employment strategies, the Restaurant and Catering George Muir Professional Development award for Indigenous Development programs in 2013 . The Supply Nation of the year Corporate member in 2014.

He is a committed advocate of sustainable outcomes in the area of both Indigenous employment and Indigenous business.

George currently sits on a number of Boards and committees including Restaurant & Catering Australia, Supply Nation (formerly AIMSC), the Sydney Montessori School is a Director of the Indigenous Defence Consortium. George is a graduate and member of the Australian Institute of Company Directors.

Adam Goodes  
*Director*  
*Resigned, 28 March 2017*

Adam is an AFL champion, Indigenous role model and community focused leader. Adam is a proud ambassador for the Racism it Stops with Me campaign, a White Ribbon ambassador for over 10 years, and also advocate for the RECOGNISE campaign to see Aboriginal and Torres Strait Islander peoples acknowledged in Australia's Constitution.

In 2004, Adam was invited to join the National Indigenous Council (NIC), an advisory body to the Federal Government on Indigenous affairs. The NIC meets 4-5 times each year in Canberra to discuss Indigenous issues and provide expert advice to the Government on improving outcomes for Indigenous Australians. Adam found his 4 years on the NIC very educational, learning how the Government approaches Indigenous issues.

Adam believes education is the best tool we can have. He and his long-time team mate and family member Michael O'Loughlin started their own foundation - Goodes O'Loughlin (GO) Foundation. The Foundation grants scholarships to Sydney based Indigenous boys and girls to go to the best schools in Sydney. They currently have 17 children on GO scholarships.

# Australian Indigenous Minority Supplier Office Limited

## Directors' report (continued)

For the year ended 30 June 2017

### 2 Director's meetings

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

Director	Board meetings		Audit & Risk Committee meetings		Nominations Committee meetings	
	Attend	Entitled	Attend	Entitled	Attend	Entitled
Leah Armstrong (Chairperson)	6	6	5	5	2	2
Justin Mohamed	5	6	-	-	-	-
Jenny Boddington	6	6	1	1	-	-
Patrick Chaney	6	6	-	-	-	-
Glenn Johnston	4	4	-	-	-	-
Aaron Pedersen	4	4	1	1	-	-
George Mifsud	4	4	4	4	2	2
Adam Goodes	3	4	-	-	-	-

### 3 Membership liability

The Company is a public company limited by guarantee. The extent of the liability of any member under the guarantee is a sum not exceeding \$10. The total liability of all members is \$90, should the Company be wound up.

### 4 Principal activities, objectives and strategies

The Company is primarily involved in facilitating the integration of Indigenous businesses into the supply chain of private sector corporations and government institutions to promote income, wealth, self sustainability and economic independence for Australia's Indigenous people.

There were no significant changes in the nature of the activities of the Company during the year.

#### *Short-term objectives and strategies*

- Raising awareness of supplier diversity in Australia and in particular the opportunities that exist in contracting with Indigenous suppliers
- Recruiting members (i.e. buying institutions) to pilot supplier diversity within their companies
- Build a database of Indigenous suppliers who have been registered or certified by Supply Nation as majority Indigenous owned, controlled and managed
- Educate members and suppliers as to the strategies and initiatives that make successful supply relationships in the supplier diversity context

#### *Long-term objectives and strategies*

- Supply Nation contributes to the growth of a prosperous, vibrant and sustainable Indigenous enterprise sector
- This will be achieved by integrating Indigenous owned, controlled and managed business into the supply chains of Australia's largest companies and government agencies
- To achieve this Supply Nation will support its members and certified suppliers to build commercial relationships

# Australian Indigenous Minority Supplier Office Limited

## Directors' report (continued)

**For the year ended 30 June 2017**

### **5 Review of operations and performance**

The surplus after tax of the Company for the year ended 30 June 2017 was \$477,884 (2016: deficit \$448,882).

#### *Measures of performance*

- Value of contracts signed
- Value of goods and services purchased
- Number of members
- Number of certified suppliers
- Number of registered suppliers

### **6 Subsequent events**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

### **7 Lead auditor's independence declaration**

The Lead auditor's independence declaration is set out on page 8 and forms part of the Directors' report for the financial year ended 30 June 2017.

This report is made in accordance with a resolution of the Directors:



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Leah Armstrong  
*Director*

Dated at Sydney this 16th day of October 2017



# Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of Australian Indigenous Minority Supplier Office Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year 30 June 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit

*KPMG*

KPMG

*Sarah Cain*

Sarah Cain  
*Partner*

Sydney  
16 October 2017

# Australian Indigenous Minority Supplier Office Limited

## Statement of profit or loss and other comprehensive income

For the year ended 30 June 2017

<i>In AUD</i>	<b>Note</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Government grants		1,420,068	1,243,912
Event income		898,671	824,590
Membership income		1,731,952	1,358,153
Other income	4	299,069	73,037
<b>Revenue and other income</b>		<u>4,349,760</u>	<u>3,499,692</u>
<b>Expenses</b>			
Personnel expenses	5	(1,827,412)	(1,508,979)
Equipment expenses		(36,651)	(28,182)
Event management expenses		(879,138)	(839,347)
Marketing expenses		(111,392)	(120,113)
Travel expenses		(96,418)	(143,488)
Depreciation expense		(87,768)	(34,638)
Administration expenses		(68,366)	(141,658)
Accounting and audit fees		(79,528)	(77,670)
Other professional fees		(227,897)	(205,846)
Information technology costs		(348,358)	(848,653)
Program delivery expense		(108,948)	-
<b>Expenses</b>		<u>(3,871,876)</u>	<u>(3,948,574)</u>
<b>Surplus/(deficit) before income tax</b>		<u>477,884</u>	<u>(448,882)</u>
Income tax expense	3(h)	-	-
<b>Surplus/ (deficit) for the year</b>		<u>477,884</u>	<u>(448,882)</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>477,884</u>	<u>(448,882)</u>

The notes on pages 13 to 22 are an integral part of these financial statements.

# Australian Indigenous Minority Supplier Office Limited

## Statement of financial position

As at 30 June 2017

In AUD

	<b>Note</b>	<b>2017</b>	<b>2016</b>
<b>Assets</b>			
Cash and cash equivalents	6(a)	2,290,272	2,877,508
Prepayments		38,119	13,946
Other receivables	7	875,328	5,780
Accrued revenue		240,363	-
<b>Total current assets</b>		<u>3,444,082</u>	<u>2,897,234</u>
Property, plant and equipment	8	56,273	13,586
Intangible assets	9	39,562	90,339
<b>Total non-current assets</b>		<u>95,835</u>	<u>103,925</u>
<b>Total assets</b>		<u>3,539,917</u>	<u>3,001,159</u>
<b>Liabilities</b>			
Trade and other payables	10	115,490	88,865
Goods and services tax		121,390	63,443
Employee benefits	11	191,545	84,844
Deferred income	12	704,039	838,501
<b>Total current liabilities</b>		<u>1,132,464</u>	<u>1,075,653</u>
Employee benefits	11	15,777	11,714
<b>Total non-current liabilities</b>		<u>15,777</u>	<u>11,714</u>
<b>Total liabilities</b>		<u>1,148,241</u>	<u>1,087,367</u>
<b>Net assets</b>		<u>2,391,676</u>	<u>1,913,792</u>
<b>Accumulated funds</b>			
Retained surplus		2,391,676	1,913,792
<b>Total accumulated funds</b>		<u>2,391,676</u>	<u>1,913,792</u>

The notes on pages 13 to 22 are an integral part of these financial statements.

# Australian Indigenous Minority Supplier Office Limited

## Statement of changes in members' funds

For the year ended 30 June 2017

<i>In AUD</i>	<b>Retained surplus</b>	<b>Total accumulated funds</b>
Balance at 1 July 2015	2,362,674	2,362,674
<b>Total comprehensive income for the year</b>		
Deficit for the year	(448,882)	(448,882)
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>(448,882)</u>	<u>(448,882)</u>
<b>Balance at 30 June 2016</b>	<u>1,913,792</u>	<u>1,913,792</u>
Balance at 1 July 2016	1,913,792	1,913,792
<b>Total comprehensive income for the year</b>		
Surplus for the year	477,884	477,884
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>477,884</u>	<u>477,884</u>
<b>Balance at 30 June 2017</b>	<u>2,391,676</u>	<u>2,391,676</u>

The notes on pages 13 to 22 are an integral part of these financial statements.

# Australian Indigenous Minority Supplier Office Limited

## Statement of cash flows

For the year ended 30 June 2017

In AUD

	<b>Note</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>			
Cash receipts from government grants		1,318,878	2,334,640
Cash receipts from membership fees		2,000,435	1,510,370
Other cash receipts		1,008,072	930,783
Cash paid to suppliers and employees		(4,029,127)	(3,903,703)
Cash generated from operations		<u>298,258</u>	<u>872,090</u>
Interest received		29,646	40,461
<b>Net cash from operating activities</b>	<i>6(b)</i>	<u>327,904</u>	<u>912,551</u>
<b>Cash flows from investing activities</b>			
Investment in term deposit		(835,461)	-
Acquisition of property, plant and equipment		(72,491)	-
Acquisition of intangibles		(7,188)	(90,339)
<b>Net cash used in investing activities</b>		<u>(915,140)</u>	<u>(90,339)</u>
Net increase in cash and cash equivalents		(587,236)	822,212
Cash and cash equivalents at beginning of year		<u>2,877,508</u>	<u>2,055,296</u>
<b>Cash and cash equivalents at end of year</b>	<i>6(a)</i>	<u>2,290,272</u>	<u>2,877,508</u>

The notes on pages 13 to 22 are an integral part of these financial statements.

# Australian Indigenous Minority Supplier Office Limited

## Notes to the financial statements

For the year ended 30 June 2017

### 1 Reporting entity

Australian Indigenous Minority Supplier Office Limited (the "Company") is a public company limited by guarantee and is recognised as a Charitable Institution domiciled in Australia. The address of the Company's registered office is Level 1, 189 Kent Street, Sydney, NSW 2000. The financial statements are as at and for the year ended 30 June 2017. The Company is a not-for-profit entity.

### 2 Basis of preparation

#### (a) Statement of compliance

In the opinion of the directors, the company is not publicly accountable. The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements were authorised for issue by the Board of Directors on this 16th day of October 2017.

#### (b) Basis of measurement

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

#### (c) Functional and presentation currency

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

#### (d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

It was concluded that judgements made by management on the application of Australian Accounting Standards did not have a significant effect on the financial report. No estimates with a significant risk of material adjustment in the next year were noted.

### 3 Significant accounting policies

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

#### (a) Financial instruments

##### (i) *Non-derivative financial assets*

Financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

# Australian Indigenous Minority Supplier Office Limited

## Notes to the financial statements (continued)

For the year ended 30 June 2017

### 3 Significant accounting policies (continued)

#### (a) Financial instruments (continued)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets: loans and receivables.

##### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and other receivables.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Rental bond and other receivables are recognised initially at fair value and are subsequently measured at amortised cost, less any impairment losses (see note 3(d)).

#### (ii) *Non-derivative financial liabilities*

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classified non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables (excluding accrued expenses).

# Australian Indigenous Minority Supplier Office Limited

## Notes to the financial statements (continued)

For the year ended 30 June 2017

### 3 Significant accounting policies (continued)

#### (b) Property, plant and equipment

##### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

##### (ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

##### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives for the current and comparative years are as follows:

- Plant and equipment 4-5 years

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

#### (c) Intangible assets

##### (i) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

# Australian Indigenous Minority Supplier Office Limited

## Notes to the financial statements (continued)

For the year ended 30 June 2017

### 3 Significant accounting policies (continued)

#### (c) Intangible assets (continued)

Capitalised development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

##### (ii) *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

##### (iii) *Amortisation*

Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the intangible assests are as follows:

	2017	2016
• Website	1 year	3 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### (d) Impairment

##### (i) *Non-derivative financial assets*

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor will enter bankruptcy, economic conditions that correlate with defaults.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

# Australian Indigenous Minority Supplier Office Limited

## Notes to the financial statements (continued)

For the year ended 30 June 2017

### 3 Significant accounting policies (continued)

#### (d) Impairment (continued)

##### (ii) *Non-financial assets*

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of assets in the CGU (or group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (e) Employee benefits

##### (i) *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

##### (ii) *Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on Commonwealth Government securities that have maturity dates approximating the terms of the Company's obligations.

##### (iii) *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

# Australian Indigenous Minority Supplier Office Limited

## Notes to the financial statements (continued)

For the year ended 30 June 2017

### 3 Significant accounting policies (continued)

#### (f) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

#### (g) Revenue

##### (i) Government grants

Government grant revenue is recognised in accordance with the respective funding agreement. The Company recognised these funds initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the agreement. These funds are thereafter recognised as revenue in the statement of profit or loss and other comprehensive income in the period which the services are provided, having regard to the stage of completion of the service obligations, where a performance and return obligation exists. Where no such obligation exists, the grants are recognised when the right to receive the grant is established on a pro rata basis as contributions received/ receivable.

##### (ii) Membership fees

Membership fees are recognised as revenue over the period to which they relate. Membership fees are recognised based on a members anniversary date.

(iii) Event income is received by the Company through holding sponsorship events and gatherings. This income is recognised in the period to which it relates.

##### (iv) Other income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

##### (v) In-kind donations

In-kind donations received by the Company relate to goods and/or services provided by third parties and are recognised, when provided, at their fair values during the financial year through profit or loss.

In-kind donations are recognised when the Company obtains control of the contribution, or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the entity and the amount of the contribution can be measured reliably.

In-kind donations recognised by the Company relate to audit fees received pro-bono by the Company.

#### (h) Income tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (i) 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

# Australian Indigenous Minority Supplier Office Limited

## Notes to the financial statements (continued)

For the year ended 30 June 2017

### 4 Other income

<i>In AUD</i>	<b>2017</b>	<b>2016</b>
Program delivery income	228,623	1,000
Interest income	29,646	40,461
In-kind donations	11,300	11,000
Other event income	29,500	-
Other income	-	20,576
	<u>299,069</u>	<u>73,037</u>

### 5 Personnel expenses

<i>In AUD</i>	<b>2017</b>	<b>2016</b>
Wages and salaries	1,644,709	1,392,208
(Decrease)/increase in liability for annual leave	22,268	(6,822)
Increase in liability for long service leave	4,064	1,140
Contributions to defined contribution plans	156,371	122,453
	<u>1,827,412</u>	<u>1,508,979</u>

### 6 Cash and cash equivalents

#### (a) Cash and cash equivalents

<i>In AUD</i>	<b>2017</b>	<b>2016</b>
Cash at bank and on hand	<u>2,290,272</u>	<u>2,877,508</u>

#### (b) Reconciliation of cash flows from operating activities

<i>In AUD</i>	<b>2017</b>	<b>2016</b>
Profit for the year	477,884	(448,882)
Adjustments for:		
Depreciation	87,768	34,638
	<u>565,652</u>	<u>(414,244)</u>
Change in prepayments	(24,174)	15,040
Change in trade and other receivables	(34,086)	503,449
Change in accrued income	(240,364)	657,400
Change in trade and other payables	26,625	(79,995)
Change in goods and services tax	57,947	31,825
Change in employee benefits	110,764	(25,410)
Change in provisions	-	(11,513)
Change in deferred income	(134,462)	235,999
<b>Net cash flows from operating activities</b>	<u>327,902</u>	<u>912,551</u>

# Australian Indigenous Minority Supplier Office Limited

## Notes to the financial statements (continued)

For the year ended 30 June 2017

### 7 Other receivables

<i>In AUD</i>	<b>2017</b>	<b>2016</b>
Cash on deposit	835,461	-
Other receivables	39,867	5,780
	<u>875,328</u>	<u>5,780</u>

### 8 Property, plant and equipment

<i>In AUD</i>	<b>Plant and equipment</b>	<b>Total</b>
<b>Cost</b>		
Balance at 1 July 2016	119,797	119,797
Additions	72,491	72,491
Balance at 30 June 2017	<u>192,288</u>	<u>192,288</u>
<b>Accumulated depreciation</b>		
Balance at 1 July 2016	106,211	106,211
Depreciation for the year	29,804	29,804
Balance at 30 June 2017	<u>136,015</u>	<u>136,015</u>
<b>Carrying amounts</b>		
At 1 July 2016	13,586	13,586
At 30 June 2017	<u>56,273</u>	<u>56,273</u>

### 9 Intangible assets

<i>In AUD</i>	<b>Website</b>	<b>Total</b>
<b>Cost</b>		
Balance at 1 July 2016	90,339	90,339
Additions	7,188	7,188
Balance at 30 June 2017	<u>97,527</u>	<u>97,527</u>
<b>Accumulated amortisation</b>		
Balance at 1 July 2016	-	-
Amortisation	57,965	57,965
Balance at 30 June 2017	<u>57,965</u>	<u>57,965</u>
<b>Carrying amounts</b>		
At 1 July 2016	90,339	90,339
At 30 June 2017	<u>39,562</u>	<u>39,562</u>

# Australian Indigenous Minority Supplier Office Limited

## Notes to the financial statements (continued)

For the year ended 30 June 2017

### 10 Trade and other payables

<i>In AUD</i>	<b>2017</b>	<b>2016</b>
Trade payables	56,515	50,741
Accrued expenses	58,975	38,124
	<u>115,490</u>	<u>88,865</u>

### 11 Employee benefits

<i>In AUD</i>	<b>2017</b>	<b>2016</b>
<b>Current</b>		
PAYG and superannuation accrued	121,223	36,789
Liability for annual leave	70,322	48,055
	<u>191,545</u>	<u>84,844</u>
<b>Non-current</b>		
Liability for long-service leave	15,777	11,714
	<u>15,777</u>	<u>11,714</u>

### 12 Deferred income

<i>In AUD</i>	<b>2017</b>	<b>2016</b>
Membership income received in advance	688,125	617,413
Government grant received in advance	-	221,088
Other income received in advance	15,914	-
	<u>704,039</u>	<u>838,501</u>

### 13 Operating leases

#### Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

<i>In AUD</i>	<b>2017</b>	<b>2016</b>
Less than one year	121,404	-
Between one and five years	161,872	-
	<u>283,276</u>	<u>-</u>

### 14 Capital and other commitments

<i>In AUD</i>	<b>2017</b>	<b>2016</b>
<b>Capital expenditure commitments</b>		
<i>Contracted but not provided for</i>		
Within one year	-	57,312
One year or later and no later than five	-	-
	<u>-</u>	<u>57,312</u>

# Australian Indigenous Minority Supplier Office Limited

## Notes to the financial statements (continued)

For the year ended 30 June 2017

### 15 Contingent liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

<i>In AUD</i>	<b>2017</b>	<b>2016</b>
Operating lease security deposit guarantee	32,751	30,938

### 16 Related parties

#### Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' (see note 5) are as follows:

<i>In AUD</i>	<b>2017</b>	<b>2016</b>
Short-term employee benefits	309,038	259,316
Post-employment benefits	29,359	34,438
	<u>338,397</u>	<u>293,754</u>

In addition to their salaries, the Company also contributes to a post-employment defined contribution superannuation fund on their behalf.

In accordance with the revised Constitution dated June 2016, Leah Armstrong (Chair) received payment of \$21,881 (2016: \$36,000) for her services as Chair of the Board.

In the year Patrick Chaney was reimbursed \$1,707 for expenses incurred whilst acting on behalf to Supply Nation (2016: nil).

#### Key management personnel and director transactions

All transactions between the Company and its key management personnel in the ordinary course of business have been conducted on an arms length basis.

### 17 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

### 18 Company status

The Company is a public company limited by guarantee. The extent of the liability of any member under the guarantee is a sum not exceeding \$10. The total liability of all members is \$90.

# Australian Indigenous Minority Supplier Office Limited

## Directors' declaration

In the opinion of the directors of Australian Indigenous Minority Supplier Office Limited ('the Company'):

- (a) the Company is not publically accountable
- (b) the financial statements and notes that are set out on pages 9 to 22 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



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Leah Armstrong

*Director*

Dated at Sydney this 16th day of October 2017

# Independent Auditor's Report

To the Directors of Australian Indigenous Minority Supplier Office Limited

## Opinion

We have audited the **Financial Report** of *Australian Indigenous Minority Supplier Office Limited (the Company)*.

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

- i. giving a true and fair view of the Company's financial position as at 30 June 2017, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2017
- Statement of profit or loss and other comprehensive income, Statement of changes in member's funds, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the *Financial Report* in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

## Other Information

Other Information is financial and non-financial information in Australian Indigenous Minority Supplier Office Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

### Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC.
- Implementing necessary internal control 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.
- Assessing the Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

Undertaking an audit in accordance with *Australian Auditing Standards*, means exercising professional judgment and maintaining professional skepticism.

Our responsibilities include:

- i. Identifying and assessing the risks of material misstatement of the Financial Report, whether due to fraud or error.
- ii. Designing and performing audit procedures responsive to those risks, and obtaining 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. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- iii. Obtaining an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.
- iv. Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- v. Concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- vi. Evaluating 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.

*KPMG*

*Sarah Cain*

KPMG

Sarah Cain

Partner

Sydney

16 October 2017