

Northern Agricultural Catchments Council Incorporated

ABN 15 441 877 135

Special Purpose Financial Report - 30 June 2020

Northern Agricultural Catchments Council Incorporated

Contents

30 June 2020

Statement of profit or loss and other comprehensive income	2
Statement of financial position	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to the financial statements	6
Directors' declaration	14
Independent auditor's report to the members of Northern Agricultural Catchments Council	15

General information

The financial statements cover Northern Agricultural Catchments Council ('NACC NRM') as an individual entity. The financial statements are presented in Australian dollars, which is Northern Agricultural Catchments Council's functional and presentation currency.

Northern Agricultural Catchments Council is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Lotteries House
114 Sanford Street, Geraldton
PO Box 7168, Geraldton, 6531

The financial statements were authorised for issue on 12 October 2020.

Northern Agricultural Catchments Council Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue			
Grant Income		1,804,735	1,517,593
Service Income		1,948,637	1,905,317
Other Income		103,171	50,918
		<u>3,856,543</u>	<u>3,473,828</u>
Expenses			
Governance Expenses		(27,643)	(34,034)
Depreciation Expenses		(49,913)	(12,189)
Employee Expenses		(849,161)	(731,935)
Other Operating Costs		(158,100)	(173,972)
Project Costs		<u>(1,749,653)</u>	<u>(1,498,048)</u>
Surplus for the year	14	1,022,073	1,023,650
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>1,022,073</u></u>	<u><u>1,023,650</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Northern Agricultural Catchments Council Incorporated
Statement of financial position
As at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	3	4,000,814	2,942,899
Trade and other receivables	4	795,485	587,698
Prepayments	5	16,404	15,825
Total current assets		<u>4,812,703</u>	<u>3,546,422</u>
Non-current assets			
Property, plant and equipment	6	54,750	12,705
Right-of-use assets	7	43,063	-
Total non-current assets		<u>97,813</u>	<u>12,705</u>
Total assets		<u>4,910,516</u>	<u>3,559,127</u>
Liabilities			
Current liabilities			
Trade and other payables	8	847,236	602,495
Unexpended Grants	9	284,580	269,170
Lease liabilities - Current	10	50,980	-
Provisions - Current	11	134,052	99,367
Total current liabilities		<u>1,316,848</u>	<u>971,032</u>
Non-current liabilities			
Lease liabilities - Non-current	12	3,160	-
Provisions - Non-current	13	27,042	43,924
Total non-current liabilities		<u>30,202</u>	<u>43,924</u>
Total liabilities		<u>1,347,050</u>	<u>1,014,956</u>
Net assets		<u>3,563,466</u>	<u>2,544,171</u>
Equity			
Retained surpluses	14	<u>3,563,466</u>	<u>2,544,171</u>
Total equity		<u>3,563,466</u>	<u>2,544,171</u>

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

Northern Agricultural Catchments Council Incorporated
Statement of changes in equity
For the year ended 30 June 2020

	Retained profits \$	Total equity \$
Balance at 1 July 2018	1,520,521	1,520,521
Surplus for the year	1,023,650	1,023,650
Other comprehensive income for the year	-	-
	<u>1,023,650</u>	<u>1,023,650</u>
Total comprehensive income for the year		
Balance at 30 June 2019	<u>2,544,171</u>	<u>2,544,171</u>
	Retained profits \$	Total equity \$
Balance at 1 July 2019	2,544,171	2,544,171
Adjustment for change in accounting policy	<u>(2,778)</u>	<u>(2,778)</u>
Balance at 1 July 2019 - restated	2,541,393	2,541,393
Surplus for the year	1,022,073	1,022,073
Other comprehensive income for the year	-	-
	<u>1,022,073</u>	<u>1,022,073</u>
Total comprehensive income for the year		
Balance at 30 June 2020	<u>3,563,466</u>	<u>3,563,466</u>

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

Northern Agricultural Catchments Council Incorporated
Statement of cash flows
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers		3,626,414	3,052,307
Payments to suppliers and employees		<u>(2,530,682)</u>	<u>(2,666,533)</u>
Interest received		1,089,520	385,774
		<u>37,751</u>	<u>26,417</u>
Net cash from operating activities	16	<u>1,133,483</u>	<u>412,191</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(40,343)</u>	-
Net cash used in investing activities		<u>(40,343)</u>	-
Cash flows from financing activities			
Repayment of lease liabilities		(31,789)	-
Lease interest paid		<u>(3,436)</u>	-
Net cash used in financing activities		<u>(35,225)</u>	-
Net increase in cash and cash equivalents		1,057,915	412,191
Cash and cash equivalents at the beginning of the financial year		<u>2,942,899</u>	<u>2,530,708</u>
Cash and cash equivalents at the end of the financial year	3	<u><u>4,000,814</u></u>	<u><u>2,942,899</u></u>

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

1. 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.

New or amended Accounting Standards and Interpretations adopted

NACC NRM has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to NACC NRM:

AASB 15 Revenue from Contracts with Customers

The NACC NRM has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The adoption of this Accounting Standard did not have any significant impact on the financial performance or position of NACC NRM.

AASB 1058 Income of Not-for-Profit Entities

NACC NRM has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, request or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

The adoption of this Accounting Standard did not have any significant impact on the financial performance or position of NACC NRM.

AASB 16 Leases

NACC NRM has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Northern Agricultural Catchments Council Incorporated
Notes to the financial statements
30 June 2020

1. Significant accounting policies (continued)

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

Opening right-of-use asset as at 1 July 2019	-	83,153
Opening lease liabilities as at 1 July 2019	-	(85,931)
Reduction in opening retained profits as at 1 July 2019	-	2,778

Basis of preparation

In the Directors' opinion, NACC NRM is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and Associations Incorporation Act 2015 (WA), the Charitable Collections Act 1946 and associated regulations. The Directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Northern Agricultural Catchments Council.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying NACC NRM's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

NACC NRM recognises revenue as follows:

Grant Income

NACC NRM's operations are supported by grant funding received from the Federal Government.

Grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. For grant funding received where conditions are not complied with, the amount is recorded as an Unexpended Grant Liability and carried forward.

Service Income

NACC NRM has an executed Service Agreement in place with the Federal Government as part of the Regional Land Partnerships Program.

Revenue from a contract to provide services is recognized over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

1. Significant accounting policies (continued)

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As NACC NRM is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the NACC NRM's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the NACC NRM's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The NACC NRM has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Property, plant and equipment

Plant and equipment is 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 as follows:

Plant and Equipment	20-40%
Motor Vehicles	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 NACC NRM. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

1. Significant accounting policies (continued)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the NACC NRM expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The NACC NRM has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Trade and other payables

These amounts represent liabilities for goods and services provided to the NACC NRM prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the NACC NRM's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when NACC NRM has a present (legal or constructive) obligation as a result of a past event, it is probable NACC NRM will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Goods and Services Tax ('GST') and other similar taxes

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.

Northern Agricultural Catchments Council Incorporated
Notes to the financial statements
30 June 2020

1. Significant accounting policies (continued)

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.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the NACC NRM for the annual reporting period ended 30 June 2020. NACC NRM has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2. Critical accounting judgements, estimates and assumptions

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.

Estimation of useful lives of assets

The NACC NRM determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

3. Cash and cash equivalents

	2020 \$	2019 \$
Cash at Bank	1,601,526	1,579,752
Cash on Deposit	2,399,288	1,363,147
	<u>4,000,814</u>	<u>2,942,899</u>

Northern Agricultural Catchments Council Incorporated
Notes to the financial statements
30 June 2020

4. Trade and other receivables

	2020	2019
	\$	\$
Trade Receivables	756,586	400,537
Accrued Income	38,899	187,161
	<u>795,485</u>	<u>587,698</u>

5. Prepayments

	2020	2019
	\$	\$
Prepayments	<u>16,404</u>	<u>15,825</u>

6. Property, plant and equipment

	2020	2019
	\$	\$
Plant and Equipment - at cost	171,291	171,292
Less: Accumulated Depreciation	(171,291)	(171,055)
	<u>-</u>	<u>237</u>
Fixtures and Fittings - at cost	4,555	4,555
Less: Accumulated Depreciation	(4,555)	(4,555)
	<u>-</u>	<u>-</u>
Motor Vehicles - at cost	57,632	59,708
Less: Accumulated Depreciation	(2,882)	(47,240)
	<u>54,750</u>	<u>12,468</u>
	<u>54,750</u>	<u>12,705</u>

7. Right-of-use assets

	2020	2019
	\$	\$
Land and buildings - right-of-use	62,331	-
Less: Accumulated depreciation	(31,166)	-
	<u>31,165</u>	<u>-</u>
Motor vehicles - right-of-use	20,822	-
Less: Accumulated depreciation	(8,924)	-
	<u>11,898</u>	<u>-</u>
	<u>43,063</u>	<u>-</u>

Northern Agricultural Catchments Council Incorporated
Notes to the financial statements
30 June 2020

8. Trade and other payables

	2020	2019
	\$	\$
Trade Creditors	748,650	447,120
GST Liability / (Receivable)	45,662	33,680
Business Credit Cards	5,484	5,684
Accrued Expenses	31,692	103,463
PAYG Liability	15,748	12,548
	<u>847,236</u>	<u>602,495</u>

9. Unexpended Grants

	2020	2019
	\$	\$
Unexpended Grants	<u>284,580</u>	<u>269,170</u>

10. Lease liabilities - Current

	2020	2019
	\$	\$
Lease liability	<u>50,980</u>	<u>-</u>

11. Provisions - Current

	2020	2019
	\$	\$
Annual Leave	56,123	50,339
Long Service Leave	77,929	49,028
	<u>134,052</u>	<u>99,367</u>

12. Lease liabilities - Non-current

	2020	2019
	\$	\$
Lease liability	<u>3,160</u>	<u>-</u>

13. Provisions - Non-current

	2020	2019
	\$	\$
Long Service Leave	<u>27,042</u>	<u>43,924</u>

Northern Agricultural Catchments Council Incorporated
Notes to the financial statements
30 June 2020

14. Retained surpluses

	2020	2019
	\$	\$
Retained surpluses at the beginning of the financial year	2,544,171	1,520,521
Adjustment for change in accounting policy	(2,778)	-
	<hr/>	<hr/>
Retained surpluses at the beginning of the financial year - restated	2,541,393	1,520,521
Surplus for the year	1,022,073	1,023,650
	<hr/>	<hr/>
Retained surpluses at the end of the financial year	<u>3,563,466</u>	<u>2,544,171</u>

15. Events after the reporting period

During the financial year, the COVID-19 pandemic occurred globally. The outbreak of COVID-19 has resulted in quarantines, supply chain disruptions, lower consumer demand, general market uncertainty which has caused market volatility. If financial markets and/or the economy at large are impacted for an extended period, the NACC NRM's operations may be adversely affected. Management will continue to monitor developments, their impact on the NACC NRM and its operations and the values and estimates reported in the financial statements.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the NACC NRM's operations, the results of those operations, or the NACC NRM's state of affairs in future financial years.

16. Reconciliation of surplus to net cash from operating activities

	2020	2019
	\$	\$
Surplus for the year	1,022,073	1,023,650
Adjustments for:		
Depreciation and amortisation	49,913	12,188
Net gain on disposal of property, plant and equipment	(11,525)	-
Interest paid on lease liabilities	3,437	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(208,366)	(537,732)
Increase/(decrease) in trade and other payables	262,542	(251,581)
Increase in unexpended grants	15,408	165,666
	<hr/>	<hr/>
Net cash from operating activities	<u>1,133,483</u>	<u>412,191</u>

Northern Agricultural Catchments Council Incorporated
Directors' declaration
30 June 2020

In the Directors' opinion:

- NACC NRM is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and Associations Incorporation Act 2015 (WA), the Charitable Collections Act 1946 and associated regulations;
- the attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the NACC NRM's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the NACC NRM will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



Chair

12 October 2020

Northern Agricultural Catchments Council Inc.

Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of Northern Agricultural Catchments Council Inc. (the ('NACC NRM')), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of NACC NRM has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the NACC NRM's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of NACC NRM in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the NACC NRM's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road
South Perth WA 6151
PO Box 748
South Perth WA 6951
Telephone: +61 8 6436 2888
williambuck.com

Independent auditor's report to members (cont.)

Responsibilities of the Directors for the Financial Report

The directors of the NACC NRM are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The directors responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the NACC NRM's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the NACC NRM or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the NACC NRM's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.

William Buck

William Buck Audit (WA) Pty Ltd

ABN 67 125 012 124

CM

Conley Manifis

Director

Dated this 12th day of October 2020