

**AUDITOR'S REPORT
TO
NORTHERN AGRICULTURAL CATCHMENTS COUNCIL INCORPORATED**

To the members of Northern Agricultural Catchments Council

Report on the financial report

We have audited the accompanying financial report of Northern Agricultural Catchments Council, which comprises the statement of financial position as at 30 June 2015, operating statement and detailed income and expenses statement, a summary of significant accounting policies and other explanatory notes and the governing committee's declaration.

The responsibility of the Governing Committee for the financial report

The Governing Committee are responsible for the preparation and fair presentation of the financial report in accordance with Australian accounting standards (including the Australian accounting interpretations). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 that 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 judgement, 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 the accounting policies used and the reasonableness of accounting estimates made by the governing committee, 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.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of Northern Agricultural Catchments Council for the year ended 30 June 2015 included on Northern Agricultural Catchments Council's website. The association's governing committee are responsible for the integrity of Northern Agricultural Catchments Council's website. We have not been engaged to report on the integrity of Northern Agricultural Catchments Council's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to / from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.

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Auditor's opinion

In our opinion, the financial report gives a true and fair view of the financial position of Northern Agricultural Catchments Council as of 30 June 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian accounting standards (including the Australian accounting interpretations).



Andrew Ford CPA
Certified Practising Accountant

Dated this 6th day of October 2015.


NORTHERN AGRICULTURAL CATCHMENTS COUNCIL

**FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

STATEMENT BY RESPONSIBLE EMPLOYEE

The attached financial report of the Northern Agricultural Catchments Council being the audited financial report and supporting notes and other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the position of the Northern Agricultural Catchments Council at 30 June 2015 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards (except to the extent that these have been varied in the statement of Accounting Policies required by Australian Accounting Standard AASB108 "Accounting Policies" and the accompanying notes to the annual report).

Signed on the6TH.....day of OCTOBER.....2015



.....
Richard McLellan
Chief Executive Officer

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015	2014
		\$	\$
CURRENT ASSETS			
Cash Assets		3,858,188	3,953,379
Receivables	3	<u>182,851</u>	<u>337,161</u>
TOTAL CURRENT ASSETS		4,041,039	4,290,540
NON CURRENT ASSETS			
Property Plant and Equipment	4	28,214	60,604
Motor Vehicles	4	<u>48,329</u>	<u>57,294</u>
TOTAL NON CURRENT ASSETS		76,543	117,898
TOTAL ASSETS		<u>4,117,582</u>	<u>4,408,438</u>
CURRENT LIABILITIES			
Payables	5	1,199,229	1,987,953
Provisions	6	262,305	237,348
Unexpended Grants	7	2,308,057	1,838,689
TOTAL LIABILITIES		<u>3,769,591</u>	<u>4,063,990</u>
NET ASSETS		<u>347,992</u>	<u>344,448</u>
EQUITY			
Retained Surplus		347,992	344,448
TOTAL EQUITY		<u>347,992</u>	<u>344,448</u>

This statement is to be read in conjunction with the accompanying notes

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL

OPERATING STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 \$	2014 \$
OPERATING REVENUES			
Grant Income		5,102,821	5,836,115
Other Income		167,849	95,052
		<u>5,270,670</u>	<u>5,931,167</u>
OPERATING EXPENSES			
Employment Expenses		2,147,634	2,011,130
Governance Expenses		127,260	122,075
Other Operating Costs		613,520	722,421
Project Costs		2,378,711	3,072,008
		<u>5,267,125</u>	<u>5,927,634</u>
NET SURPLUS (DEFICIT)		<u><u>3,544</u></u>	<u><u>3,533</u></u>

This statement is to be read in conjunction with the accompanying notes

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 \$	2014 \$
RETAINED SURPLUS			
Balance as at 1 July 2014		344,448	340,914
Net Surplus (Deficit)		3,544	3,533
Balance as at 30 June 2015		<u>347,992</u>	<u>344,448</u>
TOTAL EQUITY		<u>347,992</u>	<u>344,448</u>

This statement is to be read in conjunction with the accompanying notes

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
Cash at Beginning of Year	3,953,379	1,760,031
Operating Activities		
Cash receipts from operating activities	5,894,347	6,903,253
Cash paid for		
General operating and administrative expenses	(3,799,258)	(2,719,945)
Wage expenses	<u>(2,177,770)</u>	<u>(1,921,572)</u>
Net Cash Flow from Operating Activities	<u>(82,682)</u>	<u>2,261,735</u>
Investing Activities		
Cash paid for		
Purchase of property and equipment	<u>(12,509)</u>	<u>(68,387)</u>
Net Cash Flow from Investing Activities	<u>(12,509)</u>	<u>(68,387)</u>
Net Increase (Decrease) in Cash	<u>(95,191)</u>	<u>2,193,348</u>
Cash at End of Year	<u><u>3,858,188</u></u>	<u><u>3,953,379</u></u>

This statement is to be read in conjunction with the accompanying notes

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis of Preparation

The financial report is a special purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements. The report has also been prepared on the accrual basis under the convention of historical cost accounting.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

(b) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

(c) Fixed Assets

Property, plant & equipment and other non current assets are brought to account at cost or at independent or management valuation less, where applicable, any accumulated depreciation, amortisation or impairment losses.

(d) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation rates are:

Office Equipment	20%
Computer Equipment	40%
Motor Vehicles	15%

(e) Impairment

In accordance with Australian Accounting Standards the NACC's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB136 "Impairment of Assets" and appropriate adjustments are made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

(f) Investments

All investments are valued at cost and interest on those investments is recognised when accrued.

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries and Annual Leave

The provision for employees' benefits to wages, salaries and annual leave represents the amount that NACC has a present obligation to pay resulting from employees services to balance date. The provision has been calculated at nominal amounts based on remuneration rates that NACC expects to pay and includes related on-costs.

(ii) Long Service Leave

The provision for employees' benefits for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees' service to balance date.

(h) Interest Rate Risk

NACC's exposure to interest rate risk, which is risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates, is considered negligible for all financial instruments other than borrowings.

(i) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statement. NACC does not have material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by NACC.

(j) Fair Value

The fair value of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds fair value have not been written down as NACC intends to hold these assets to maturity.

The aggregate fair value and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the accounts.

(k) Rounding Off Figures

All figures shown in this financial report are rounded to the nearest dollar.

(l) Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(m) Retained Earnings

As at 30 June 2015 NACC has \$824,858 carried forward funds as Unexpended Grants Provision which are not recorded as retained earnings in the accounts. The amount has been generated from bank interest and from savings in project management expenses. These funds are maintained by NACC as a reserve for windup expenses and for investment in future project expenses in line with NACC objectives. Refer Note 7 Unexpended Grants "AA Operating" category and financial report in the additional attached financial data.

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
2. NET CURRENT ASSETS		
Composition of Net Current Asset Position		
CURRENT ASSETS		
Cash	3,858,188	3,953,379
Receivables	<u>182,851</u>	<u>337,161</u>
	4,041,039	4,290,540
LESS: CURRENT LIABILITIES		
Payables and Provisions	1,461,534	2,225,301
Unexpended Grants	<u>2,308,057</u>	<u>1,838,689</u>
	3,769,591	4,063,990
NET CURRENT ASSET POSITION	271,449	226,549
SURPLUS C/FWD	<u><u>271,449</u></u>	<u><u>226,549</u></u>
3. RECEIVABLES		
Debtors	98,476	251,958
Prepaid Expenses	84,375	81,955
Accrued Income	-	3,249
	<u>182,851</u>	<u>337,161</u>

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
4. NON CURRENT ASSETS		
Property, plant and equipment		
Plant and Equipment	212,150	199,641
Less: Accumulated Depreciation	<u>(183,936)</u>	<u>(139,037)</u>
	28,214	60,604
Motor Vehicles	59,708	59,708
Less: Accumulated Depreciation	<u>(11,379)</u>	<u>(2,414)</u>
	48,329	57,294
TOTAL NON CURRENT ASSETS	<u><u>76,543</u></u>	<u><u>117,898</u></u>
5. PAYABLES		
Trade Creditors	254,370	149,343
GST	47,999	151,914
PAYG	48,621	44,640
Superannuation	27,692	18,368
Business Credit Cards	7,095	7,358
Accrued Expenses	7,803	71,958
Committed Funds	805,648	1,544,372
	<u>1,199,229</u>	<u>1,987,953</u>
6. PROVISIONS		
Provision for Employee Entitlements	105,316	106,339
Provision for Long Service Leave	130,590	107,069
Provision for Audit Fees	26,400	23,940
	<u>262,305</u>	<u>237,348</u>

NORTHERN AGRICULTURAL CATCHMENTS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
7. UNEXPENDED GRANTS		
12028 Carbon Driven Solutions	45,861	43,829
12036 Biodiversity Corridors State	-	157,895
12N-04 Regional Sch Education Project	-	15,682
12N-12 EDRMS/ TRIM Project	4,788	19,743
13N-04 RFR carbon Awareness Project	-	7,832
1418 Office Overheads	-	124,003
1419 NRMO Delivery	-	758,127
148005 State - Service Provision	-	74,936
1518 Office Overheads	387,475	-
1519 NRMO Technical Delivery	736,513	-
201455 Off Road Vehicle Study	1,300	10,214
201566 Marine Lidar Survey	45,455	-
201577 Coast Adaption & RA Project	15,655	-
201612 Conservation Corridors for BC	18,938	-
48N-13 Coastal E &CAH Project	-	617
AA Operating	824,858	483,432
CRM13002 Coastal Hazard Risk Management	-	65,223
INNOV-292 Soil Acidity	185,055	77,068
SCV13005 SCV Invasive Species Plan	16,600	-
SCV13006 SCV Waterways & Remnant V	17,771	-
SCV13007 SCV Reveg Moresby Ranges	7,788	-
SIE13003 Sustainability & Innov Expo	-	89
	<u>2,308,057</u>	<u>1,838,689</u>