

Northern Agricultural Catchments Council Incorporated

ABN 15 441 877 135

Special Purpose Financial Report - 30 June 2021

Northern Agricultural Catchments Council Incorporated

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30 June 2021

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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 11 October 2021.

Northern Agricultural Catchments Council Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue			
Grant Income		2,146,281	1,804,735
Service Income		2,664,304	1,948,637
Other Income		103,264	103,171
		<u>4,913,849</u>	<u>3,856,543</u>
Expenses			
Governance Expenses		(28,497)	(27,643)
Depreciation Expenses		(63,192)	(49,913)
Employee Expenses		(1,176,156)	(849,161)
Other Operating Costs		(339,654)	(158,100)
Project Costs		<u>(2,307,073)</u>	<u>(1,749,653)</u>
Surplus for the year	12	999,277	1,022,073
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>999,277</u></u>	<u><u>1,022,073</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 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	3	2,631,575	4,000,814
Trade and other receivables	4	363,296	795,485
Prepayments	6	-	16,404
Total current assets		<u>2,994,871</u>	<u>4,812,703</u>
Non-current assets			
Other financial assets	7	2,905,144	-
Property, plant and equipment	8	100,229	54,750
Right-of-use assets	5	2,970	43,063
Total non-current assets		<u>3,008,343</u>	<u>97,813</u>
Total assets		<u>6,003,214</u>	<u>4,910,516</u>
Liabilities			
Current liabilities			
Trade and other payables	9	920,153	847,236
Unexpended Grants		299,587	284,580
Lease liabilities	10	3,160	50,980
Provisions	11	171,938	134,052
Total current liabilities		<u>1,394,838</u>	<u>1,316,848</u>
Non-current liabilities			
Lease liabilities	10	-	3,160
Provisions	11	45,633	27,042
Total non-current liabilities		<u>45,633</u>	<u>30,202</u>
Total liabilities		<u>1,440,471</u>	<u>1,347,050</u>
Net assets		<u>4,562,743</u>	<u>3,563,466</u>
Equity			
Retained surpluses	12	<u>4,562,743</u>	<u>3,563,466</u>
Total equity		<u>4,562,743</u>	<u>3,563,466</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 2021

	Retained profits \$	Total equity \$
Balance at 1 July 2019	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>
	Retained profits \$	Total equity \$
Balance at 1 July 2020	3,563,466	3,563,466
Surplus for the year	999,277	999,277
Other comprehensive income for the year	-	-
	<u>999,277</u>	<u>999,277</u>
Total comprehensive income for the year		
Balance at 30 June 2021	<u>4,562,743</u>	<u>4,562,743</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 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		5,337,158	3,626,414
Payments to suppliers and employees		<u>(3,704,185)</u>	<u>(2,530,682)</u>
		1,632,973	1,095,732
Interest received		23,887	37,751
Interest paid		<u>(49)</u>	<u>-</u>
Net cash from/(used in) operating activities	14	<u>1,656,811</u>	<u>1,133,483</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(68,579)	(40,343)
Transfer to Term Deposits (matures in more than 3 months)	7	<u>(2,905,145)</u>	<u>-</u>
Net cash used in investing activities		<u>(2,973,724)</u>	<u>(40,343)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(52,326)	(31,789)
Lease interest paid		<u>-</u>	<u>(3,436)</u>
Net cash used in financing activities		<u>(52,326)</u>	<u>(35,225)</u>
Net increase/(decrease) in cash and cash equivalents		(1,369,239)	1,057,915
Cash and cash equivalents at the beginning of the financial year		<u>4,000,814</u>	<u>2,942,899</u>
Cash and cash equivalents at the end of the financial year	3	<u><u>2,631,575</u></u>	<u><u>4,000,814</u></u>

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

1. Significant accounting policies

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

Where the contract outcomes can be reliably measured:

In accordance with AASB 15 Revenue from Contracts with Customers, revenue is recognised at an amount that reflects the consideration to which NACC NRM is expected to be entitled in exchange for transferring goods/services to a customer.

For each contract with a customer, NACC NRM identifies:

- the performance obligations in the contract
- the transaction price which takes into account estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Revenue that falls under AASB 15 Revenue from Contracts with Customers is recorded in the statement of financial position (funds received in advance) when received, and recognised progressively, as performance obligations are satisfied.

Where the contract outcomes cannot be reliably measured:

Revenue is measured at the fair value of contributions received. Income arising from the contribution of an asset to NACC NRM is recognised when received, in accordance with AASB 1058 Income of Not-for-Profit Entities.

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 recognised over time as the services are rendered based on either a fixed price or an hourly rate.

1. Significant accounting policies (continued)

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.

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;

- (i) it is either expected to be realised or intended to be sold or consumed in NACC NRM's normal operating cycle
- (ii) it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period
- (iii) 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;

- (i) it is either expected to be settled in NACC NRM's normal operating cycle
- (ii) it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period
- (iii) 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.

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.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the NACC NRM has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

1. Significant accounting policies (continued)

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The NACC NRM recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the NACC NRM's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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	2 - 5 years
Motor Vehicles	5 years

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 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.

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 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.

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 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.

1. Significant accounting policies (continued)

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.

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.

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

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 new Accounting Standards and Interpretations are most relevant to NACC NRM:

AASB 1060 General Purpose Financial Statements – Simplified Disclosure for For-Profit and Not-for-Profit Entities replaces the reduced disclosure requirements framework, whereby certain for-profit and Not-for-Profit entities will be required to prepare general purpose financial statements, rather than special purpose financial statements to enhance consistency, comparability, and transparency of financial reporting. This standard will become effective for financial years commencing on or after 1 July 2021.

Northern Agricultural Catchments Council Incorporated
Notes to the financial statements
30 June 2021

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

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

	2021	2020
	\$	\$
<i>Current assets</i>		
Cash at Bank	2,631,575	1,601,526
Cash on Deposit	-	2,399,288
	<u>2,631,575</u>	<u>4,000,814</u>

4. Trade and other receivables

	2021	2020
	\$	\$
<i>Current assets</i>		
Trade Receivables	320,231	756,586
Accrued Income	43,065	38,899
	<u>363,296</u>	<u>795,485</u>

Northern Agricultural Catchments Council Incorporated
Notes to the financial statements
30 June 2021

5. Right-of-use assets

	2021	2020
	\$	\$
Land and buildings - right-of-use	62,331	62,331
Less: Accumulated depreciation	<u>(62,331)</u>	<u>(31,166)</u>
	-	31,165
Motor vehicles - right-of-use	20,822	20,822
Less: Accumulated depreciation	<u>(17,852)</u>	<u>(8,924)</u>
	2,970	11,898
	<u>2,970</u>	<u>43,063</u>

6. Prepayments

	2021	2020
	\$	\$
<i>Current assets</i>		
Prepayments	<u>-</u>	<u>16,404</u>

7. Other financial assets

	2021	2020
	\$	\$
<i>Non-current assets</i>		
Term Deposits	<u>2,905,144</u>	<u>-</u>

8. Property, plant and equipment

	2021	2020
	\$	\$
Plant and Equipment - at cost	204,309	171,291
Less: Accumulated Depreciation	<u>(182,475)</u>	<u>(171,291)</u>
	21,834	-
Fixtures and Fittings - at cost	4,555	4,555
Less: Accumulated Depreciation	<u>(4,555)</u>	<u>(4,555)</u>
	-	-
Motor Vehicles - at cost	93,193	57,632
Less: Accumulated Depreciation	<u>(14,798)</u>	<u>(2,882)</u>
	78,395	54,750
	<u>100,229</u>	<u>54,750</u>

Northern Agricultural Catchments Council Incorporated
Notes to the financial statements
30 June 2021

9. Trade and other payables

	2021	2020
	\$	\$
<i>Current liabilities</i>		
Trade Creditors	795,440	748,650
GST Liability	45,392	45,662
Business Credit Cards	9,839	5,484
Accrued Expenses	50,306	31,692
PAYG Liability	19,176	15,748
	<u>920,153</u>	<u>847,236</u>

10. Lease liabilities

Underlying Class of Asset	Opening Written Down Value \$	Movement for the year		
		Repayment \$	Interest \$	Total \$
Land and Building	41,786	(42,755)	969	-
Motor Vehicle	12,354	(9,571)	377	3,160
	<u>54,140</u>	<u>(52,326)</u>	<u>1,346</u>	<u>3,160</u>

Reconciliation of current and non-current

	2021	2020
	\$	\$
Current		
Non-current	3,160	50,980
	<u>-</u>	<u>3,160</u>
	<u>3,160</u>	<u>54,140</u>

11. Provisions

	2021	2020
	\$	\$
<i>Current liabilities</i>		
Annual Leave	87,960	56,123
Long Service Leave	83,978	77,929
	<u>171,938</u>	<u>134,052</u>
<i>Non-current liabilities</i>		
Long Service Leave	45,633	27,042
	<u>217,571</u>	<u>161,094</u>

Northern Agricultural Catchments Council Incorporated
Notes to the financial statements
30 June 2021

12. Retained surpluses

	2021	2020
	\$	\$
Retained surpluses at the beginning of the financial year	3,563,466	2,544,171
Adjustment for change in accounting policy	-	(2,778)
	<hr/>	<hr/>
Retained surpluses at the beginning of the financial year - restated	3,563,466	2,541,393
Surplus for the year	999,277	1,022,073
	<hr/>	<hr/>
Retained surpluses at the end of the financial year	<u>4,562,743</u>	<u>3,563,466</u>

13. Events after the reporting period

No matter or circumstance has arisen since 30 June 2021 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.

14. Reconciliation of surplus to net cash from/(used in) operating activities

	2021	2020
	\$	\$
Surplus for the year	999,277	1,022,073
Adjustments for:		
Depreciation and amortisation	63,192	49,913
Net gain on disposal of property, plant and equipment	-	(11,524)
Interest paid on lease liabilities	1,346	3,437
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	448,593	(208,366)
Increase in trade and other payables	129,395	262,542
Increase in unexpended grants	15,008	15,408
	<hr/>	<hr/>
Net cash from/(used in) operating activities	<u>1,656,811</u>	<u>1,133,483</u>

Northern Agricultural Catchments Council Incorporated
Directors' declaration
30 June 2021

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 2021 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

11 October 2021

Auditor's Independence Declaration

To the Northern Agricultural Catchments Council Inc.

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as auditor for Northern Agricultural Catchments Council Inc. for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b. No contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CM

Conley Manifis

Director

Dated this 11th day of October 2021

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

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. ("NACC NRM"), which comprises the statement of financial position as at 30 June 2021, 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 NACC NRM's financial position as at 30 June 2021 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 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 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 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 NACC NRM or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing 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 11th day of October 2021