

Cape York Natural Resource Management Ltd

ABN: 89 146 770 167

Financial Statements

For the Year Ended 30 June 2023

Cape York Natural Resource Management Ltd

ABN: 89 146 770 167

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For the Year Ended 30 June 2023

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Cape York Natural Resource Management Ltd

Auditors Independence Declaration under the *Section 307C of the Corporations Act 2001* to the members of the Cape York Natural Resource Management Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Audit Australia

Crowe Audit Australia



Donna Sinanian
Partner

Townsville, 30th August 2023

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue and other income	4	5,766,609	6,671,610
Employee benefits expense		(1,949,292)	(2,114,808)
Depreciation and amortisation expense		(151,246)	(50,012)
Other expenses		(2,987,982)	(4,212,706)
Finance expenses		(289)	(978)
Surplus for the year		677,800	293,106
Other comprehensive income		-	-
Total comprehensive income for the year		677,800	293,106

The accompanying notes form part of these financial statements.

Cape York Natural Resource Management Ltd

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Statement of Financial Position As At 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		4,585,136	2,909,163
Trade and other receivables	5	628,392	1,889,091
Other financial assets		56,385	73,106
TOTAL CURRENT ASSETS		<u>5,269,913</u>	<u>4,871,360</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	774,852	655,097
TOTAL NON-CURRENT ASSETS		<u>774,852</u>	<u>655,097</u>
TOTAL ASSETS		<u>6,044,765</u>	<u>5,526,457</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	248,656	411,775
Lease liabilities		77,671	54,791
Employee benefits	8	119,014	116,568
Other liabilities		10,000	-
TOTAL CURRENT LIABILITIES		<u>455,341</u>	<u>583,134</u>
NON-CURRENT LIABILITIES			
Lease liabilities		72,050	106,354
Employee benefits	8	8,178	5,573
TOTAL NON-CURRENT LIABILITIES		<u>80,228</u>	<u>111,927</u>
TOTAL LIABILITIES		<u>535,569</u>	<u>695,061</u>
NET ASSETS		<u>5,509,196</u>	<u>4,831,396</u>
EQUITY			
Reserves		289,343	289,343
Retained earnings		5,219,853	4,542,053
TOTAL EQUITY		<u>5,509,196</u>	<u>4,831,396</u>

The accompanying notes form part of these financial statements.

Cape York Natural Resource Management Ltd

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Statement of Changes in Equity

For the Year Ended 30 June 2023

2023

	Retained Earnings	General Reserve	Redundancy Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2022	4,542,053	250,000	39,343	4,831,396
Surplus for the year	677,800	-	-	677,800
Balance at 30 June 2023	5,219,853	250,000	39,343	5,509,196

2022

	Retained Earnings	General Reserve	Redundancy Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2021	4,248,947	250,000	39,343	4,538,290
Surplus for the year	293,106	-	-	293,106
Balance at 30 June 2022	4,542,053	250,000	39,343	4,831,396

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	6,907,560	5,652,663
Payments to suppliers and employees	(4,964,522)	(6,384,709)
Interest received	4,225	2,871
Finance costs	(289)	(978)
Net cash provided by/(used in) operating activities	<u>1,946,974</u>	<u>(730,153)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(182,362)</u>	<u>(448,853)</u>
Net cash provided by/(used in) investing activities	<u>(182,362)</u>	<u>(448,853)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	<u>(88,639)</u>	<u>(12,366)</u>
Net cash provided by/(used in) financing activities	<u>(88,639)</u>	<u>(12,366)</u>
Net increase/(decrease) in cash and cash equivalents held	1,675,973	(1,191,372)
Cash and cash equivalents at beginning of year	2,909,163	4,100,535
Cash and cash equivalents at end of financial year	<u>4,585,136</u>	<u>2,909,163</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2023

The financial report covers Cape York Natural Resource Management Ltd as an individual entity. Cape York Natural Resource Management Ltd is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2023 were performance of work on the Regional Land Partnership Program, Reef Assist Program and Soil Solutions Endeavour.

The functional and presentation currency of Cape York Natural Resource Management Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on .

Comparatives are consistent with prior years, unless otherwise stated.

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and, accordingly amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services, using a five-step model for each revenue stream.

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

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Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Grant Revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Other Income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income tax

The Company is of the opinion that it is not subject to income tax.

(c) Goods and services tax (GST)

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 Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Motor Vehicles	20%-50%
Office Equipment	10%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Deposits with maturity dates greater than three months are considered other financial assets.

On initial recognition, other financial assets are measured at fair value plus transaction costs and subsequently measured at amortised cost in accordance with *AASB 9 Financial Instruments*.

(f) Leases

Lessee accounting

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(f) Leases

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(g) Employee benefits

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(h) Economic dependence

Cape York Natural Resource Management Ltd is dependent on the Australian Commonwealth and State Government for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Australian Commonwealth and State Government will not continue to support Cape York Natural Resource Management Ltd.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - revenue recognition

When determining the nature, timing and amount of revenue to be recognised, the following critical estimates and judgements were applied and are considered to be those that have the most significant effect on revenue recognition.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

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Notes to the Financial Statements For the Year Ended 30 June 2023

3 Critical Accounting Estimates and Judgments

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

4 Revenue and Other Income

	2023	2022
	\$	\$
Project Income	5,696,034	6,274,204
Miscellaneous Income	66,349	394,696
Interest Income	4,226	2,710
Total revenue and other income	5,766,609	6,671,610

5 Trade and Other Receivables

	2023	2022
	\$	\$
Trade receivables	628,392	1,796,013
GST receivable	-	93,078
Total current trade and other receivables	628,392	1,889,091

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Trade and other receivables are recognised at amortised cost, less any allowances for expected credit losses, in accordance with *AASB 9 Financial Instruments*.

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Notes to the Financial Statements For the Year Ended 30 June 2023

6 Property, Plant and Equipment

	2023	2022
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At cost	295,000	295,000
Total Land	<u>295,000</u>	<u>295,000</u>
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	12,144	12,144
Accumulated depreciation	(11,283)	(10,955)
Total furniture, fixtures and fittings	<u>861</u>	<u>1,189</u>
Motor vehicles		
At cost	422,000	409,980
Accumulated depreciation	(226,340)	(211,920)
Total motor vehicles	<u>195,660</u>	<u>198,060</u>
Office equipment		
At cost	27,410	-
Accumulated depreciation	(6,102)	-
Total office equipment	<u>21,308</u>	<u>-</u>
Leasehold Improvements		
At cost	24,915	-
Total leasehold improvements	<u>24,915</u>	<u>-</u>
Total plant and equipment	<u>242,744</u>	<u>199,249</u>
RIGHT-OF-USE		
Right of Use Asset	234,084	165,444
Depreciation	(84,660)	(4,596)
Total Right-of-Use	<u>149,424</u>	<u>160,848</u>
Work in Progress		
Capital Works in Progress		
At cost	87,684	-
Total Work in Progress	<u>87,684</u>	<u>-</u>
Total property, plant and equipment	<u><u>774,852</u></u>	<u><u>655,097</u></u>

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Notes to the Financial Statements For the Year Ended 30 June 2023

6 Property, Plant and Equipment

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Capital Works in Progress	Land	Furniture, Fixtures and Fittings	Motor Vehicles
	\$	\$	\$	\$
Year ended 30 June 2023				
Balance at the beginning of year	-	295,000	1,189	198,060
Additions	87,684	-	-	62,353
Disposals	-	-	-	-
Depreciation Expense	-	-	(328)	(64,753)
Balance at the end of the year	87,684	295,000	861	195,660
	Office Equipment	Leasehold Improvements	Right-of-Use	Total
	\$	\$	\$	\$
Year ended 30 June 2023				
Balance at the beginning of year	-	-	160,848	655,097
Additions	27,410	24,915	68,640	271,002
Disposals	(6,102)	-	-	(6,102)
Depreciation Expense	-	-	(80,064)	(145,145)
Balance at the end of the year	21,308	24,915	149,424	774,852

7 Trade and Other Payables

	Note	2023 \$	2022 \$
CURRENT			
Trade payables		123,057	32,200
GST payable		70,150	-
Accrued Wages		-	(5,675)
Mastercards		-	232
Creditor Accruals		(542)	208,653
Pre-paid Income		-	130,000
Payroll Payable		39,045	31,699
Superannuation Payable		16,946	14,665
Total Trade and Other Payables		248,656	411,774

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

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Notes to the Financial Statements For the Year Ended 30 June 2023

8 Employee Benefits

	2023	2022
	\$	\$
Current liabilities		
Long service leave	26,524	20,848
Provision for employee benefits	92,490	95,720
	<u>119,014</u>	<u>116,568</u>
	2023	2022
	\$	\$
Non-current		
Long service leave	8,178	5,573
Total Non-Current Employee Benefits	<u>8,178</u>	<u>5,573</u>

9 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ 624,787 (2022: \$ 475,229).

10 Auditors' Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor Crowe Australasia, for:		
- auditing or reviewing the financial statements	13,500	13,000
Total	<u>13,500</u>	<u>13,000</u>

11 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2023 (30 June 2022:None).

12 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 9.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

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Notes to the Financial Statements For the Year Ended 30 June 2023

12 Related Parties

(b) Transactions with related parties

	Purchases	Sales	Balance outstanding	
			Owed to the company	Owed by the company
	\$	\$	\$	\$
Board Member related parties				
Marilyn Morris	195	-	-	-
Smith, Pauline	391	-	-	-
Turnour, Jim	16	-	-	-
Gray, Sally	2,320	-	-	-
KMP related parties				
Schroor, Philippa	61	-	-	-
Other related parties				
NQ NRM Alliance	5,000	3,837,883	-	-
Normanby Aboriginal Corporation	30,000	-	-	-

13 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

14 Statutory Information

The registered office and principal place of business of the company is:

Cape York Natural Resource Management Ltd
PO Box 907
Atherton QLD 4883

Cape York Natural Resource Management Ltd

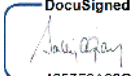
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Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 2 to 14, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and the requirements of *Australian Charities and Not-for-profits Commission Act 2012* and
 - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

DocuSigned by:

Director .. 465778A09C784CD.....

Dated 29 August 2023 | 3:14:24 PM AEST

Independent Auditor's Report to the Members of Cape York Natural Resource Management Ltd

Opinion

We have audited the financial report of Cape York Natural Resource Management Ltd (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 accompanying financial report of the Company is 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 Company's financial position as at 30 June 2023 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures 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 the Company in accordance with the ethical requirements of the Accounting Professional & 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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for 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 ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

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Independent Auditor's Report to the Members of Cape York Natural Resource Management Ltd (cont.)

Auditor's Responsibilities for the Audit of the Financial Report

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of those charged with governance's 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 entity'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 the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Crowe Audit Australia

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Donna Sinanian

Partner

Townsville, 30th August 2023