

South Coast Natural Resource Management Inc

ABN: 43 781 945 884



Financial Report

For The Year Ended 30 June 2023

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South Coast Natural Resource Management Inc

ABN: 43 781 945 884

**Board of Management Report
For the Year Ended 30 June 2023**

The Board of Management (the "Board") presents their report together with the Financial Report of South Coast Natural Resource Management Inc (the "Association") for the financial year ended 30 June 2023 and the auditor's report thereon.

Board of Management Members

The names of the members of the Board in office at any time during or since the financial year ended 30 June 2023 are as follows:

Name	Appointment Date (If Current Year)	Termination Date (If Applicable)	Position
Andrew Bathgate			Chairperson
John Ruprecht			Deputy Chairperson
Duncan Monro			
Colin Ingram	1/12/22		
Marie Malaxos			
Anne Banks-McAllister	1/12/22		
James Kernaghan		1/12/22	
Ricky Burges			

Members of the Board have been in office since the start of the financial year to date unless otherwise stated.

Principal Activities

The Association was established with the purpose to identify, protect, improve and preserve key environmental assets.

The Association runs several programs and initiatives that focus on protecting endangered species, cultural programs, natural resource preservation, and increasing biodiversity.

No significant changes in the Association's state of affairs occurred during the financial year.

Operating and Financial Review

The financial report for the year ended 30 June 2023 and the results herein, is prepared in accordance with Australian Accounting Standards to the extent described in Note 1.

The total deficit of the Association for the financial year was \$515,442 (2022: surplus \$248,926).

**Board of Management Report (Continued)
For the Year Ended 30 June 2023**

Environmental Regulation

The Association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

Dividends are not applicable to the Association, therefore no dividends were declared or paid during or since the financial year ended 30 June 2023.

Indemnification and Insurance of Officers and Auditors

The Association paid a premium for Association Liability Insurance, that extends to covering Office Bearer's Liability. No other insurances or indemnities have been paid for a person who is or has been an officer of the Association.

No indemnities have been given or insurance premiums paid during the financial year, for any person who is or has been an auditor of the Association.

Proceedings on Behalf of the Association

No person has applied for leave of Court to bring proceedings on behalf of the Association or intervene in any proceedings to which the Association is a party for the purpose of taking responsibility on behalf of the Association for all or any part of these proceedings. The Association was not a party to any such proceedings during the year.

Events Subsequent to the End of the Reporting Period

There has not been any matters or circumstances since the reporting period that has significantly affected, or may significantly affect, the operations of the Association, the results of those operations, or the state of affairs of the Association in future years.

Likely Developments

Likely developments in the operations of the Association and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Association.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 5.



**Andrew Bathgate
Chairperson**

Signed at Albany on
___01/11/2023_____

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE BOARD OF SOUTH COAST NATURAL RESOURCE MANAGEMENT**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2023, there have been no contraventions of:

- i) The auditor independence requirements as set out in Section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* and section 80 of the *Associations Incorporation Act (WA) 2015* in relation to the audit; and
- ii) Any applicable code of professional conduct in relation to the audit.

AMD Chartered Accountants



TIM PARTRIDGE FCA
Director

Bunbury, WA

Dated the 2nd day of October 2023

South Coast Natural Resource Management Inc
ABN: 43 781 945 884

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

	Note	2023 \$	2022 \$
Revenue and Other Income			
Revenue		4,576,516	4,481,146
Other Income		144,689	50,744
Total Revenue and Other Income	2	4,721,205	4,531,890
Expenditure			
Program Expenditure			
Project Delivery Expenses		2,087,793	1,725,317
Reference Group Expenses		7,614	14,309
Workshop Expenses		53,948	79,954
Direct Employee Expenses		1,876,670	1,370,504
Consulting Fees		-	30,000
Other Expenses		-	1,115
Project Travel and Accommodation		35,956	8,804
		4,061,981	3,230,002
Corporate Expenses			
Advertising and Marketing		5,088	6,054
Accounting and Bookkeeping		184,609	80,547
Audit Fees	3	15,435	8,050
Board of Management Expenses		55,970	48,500
Consulting Fees		67,709	42,148
Depreciation Expense	4 & 10(b)	182,774	146,855
Employee Expenses		292,234	494,268
Insurance Expenses		28,248	9,826
IT Support and Equipment		55,084	47,018
Interest Expense	10(b)	4,441	1,513
Health and Safety Expenses		16,739	9,510
Meeting Expenses		18,596	19,736
Motor Vehicle Expenses		39,698	25,216
Office Expenses		47,951	15,066
Other Expenses		1,035	12,424
Travel and Accommodation		58,781	12,229
Printing, Postage and Stationary		17,613	14,132
Property and Utility Expenses		29,512	37,699
Repairs and Maintenance		42,598	15,082
Telephone and Internet Expenses		10,551	7,088
Total Expenses		1,174,666	1,052,962
Total Expenses		5,236,647	4,282,965
Surplus For the Year Before Tax		(515,442)	248,926
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Surplus For The Year		(515,442)	248,926

The accompanying notes form part of the financial statements.

South Coast Natural Resource Management Inc

ABN: 43 781 945 884

Statement of Financial Position

As at 30 June 2023

	Notes	2023 \$	2022 \$
Assets			
Current Assets			
Cash and Cash Equivalents	5	3,368,561	4,378,518
Trade and Other Receivables	6	800,576	1,148,014
Lease Bonds		30,892	27,892
Prepayments		41,651	52,226
Total Current Assets		4,241,680	5,606,650
Non-Current Assets			
Property, Plant and Equipment	4	123,093	187,184
Right-of-use Asset	10	301,469	65,994
Total Non-Current Assets		424,562	253,178
Total Assets		4,666,242	5,859,828
Liabilities			
Current Liabilities			
Trade and Other Payables	7	636,546	1,021,778
Revenue Received in Advance	8	967,699	1,443,998
Provisions	9	197,890	267,933
Lease Liabilities	10	108,357	69,195
Total Current Liabilities		1,910,492	2,802,904
Non-Current Liabilities			
Provisions	9	40,486	21,364
Lease Liabilities	10	195,146	-
Total Non-Current Liabilities		235,632	21,364
Total Liabilities		2,146,124	2,824,268
Net Assets		2,520,118	3,035,560
Equity			
Accumulated Surplus		2,520,118	3,035,560
Total Equity		2,520,118	3,035,560

The accompanying notes form part of the financial statements.

South Coast Natural Resource Management Inc

ABN: 43 781 945 884

Statement of Changes in Equity
For the Year Ended 30 June 2023

	Accumulated Surplus \$	Total \$
As at 1 July 2021	2,786,634	2,786,634
Net surplus for the year	248,926	248,926
Other comprehensive Income for the year	-	-
Total comprehensive income for the year	<u>248,926</u>	<u>248,926</u>
As at 30 June 2022	<u>3,035,560</u>	<u>3,035,560</u>
As at 1 July 2022	3,035,560	3,035,560
Net deficit for the year	(515,442)	(515,442)
Other comprehensive Income for the year	-	-
Total comprehensive income for the year	<u>(515,442)</u>	<u>(515,442)</u>
As at 30 June 2023	<u>2,520,118</u>	<u>2,520,118</u>

The accompanying notes form part of the financial statements.

South Coast Natural Resource Management Inc

ABN: 43 781 945 884

**Statement of Cash Flows
For the Year Ended 30 June 2023**

	Notes	2023 \$	2022 \$
Cash Flows From Operating Activities			
Cash receipts from grants and customers		4,592,344	5,166,654
Cash paid to suppliers and employees		<u>(5,478,011)</u>	<u>(3,651,887)</u>
Net Cash Generated by Operating Activities	12	<u>(885,667)</u>	<u>1,514,767</u>
Cash Flows From Investing Activities			
Payments for plant and equipment		(12,020)	(109,100)
Proceeds from sale of plant and equipment		-	13,636
Net Cash Used in Investing Activities		<u>(12,020)</u>	<u>(95,464)</u>
Cash Flows From Financing Activities			
Payments for lease liabilities		<u>(112,270)</u>	<u>(106,522)</u>
Net Cash Used in Financing Activities		<u>(112,270)</u>	<u>(106,522)</u>
Net (Decrease)/Increase in Cash Held		(1,009,957)	1,312,781
Cash at the Beginning of the Financial Year		4,378,518	3,065,737
Cash at End of Financial Year	5	<u>3,368,561</u>	<u>4,378,518</u>

The accompanying notes form part of the financial statements.

Notes To The Financial Statements
For the Year Ended 30 June 2023

Note 1: Summary of Significant Accounting Policies

Reporting Entity

The financial report includes the financial statements and notes of South Coast Natural Resource Management Inc (the "Association") as an individual entity. The financial report is presented in Australian dollars, which is the Association's functional and presentation currency.

The Association was incorporated under the *Associations Incorporations Act 2015* and is registered with the Australian Charities and Not-for-Profits Commission.

Basis of Preparation

In the opinion of the Board of Management the Association is not a reporting entity. The financial report has been prepared as a special purpose financial report to meet the requirements of the Association's constitution and the *Australian Charities and Not-for-Profit Commission Act 2012*. The Board has determined that the accounting policies adopted are appropriate to meet the needs of users of the financial statements.

The financial report has been prepared in accordance with the recognition and measurement requirements (but not all disclosure requirements) of Australian Accounting Standards adopted by the Australian Accounting Standards Board. The financial report does not include the disclosure requirements of the following pronouncements that may have a material effect:

AASB 7: Financial Instruments
AASB 124: Related Party Disclosures

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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the same date as the Board of Management Report.

a. Going Concern

The financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. The Association is dependent upon agreement funding to continue its operations from year to year and as such the going concern basis of preparation is dependent on the Association continuing to receive such funding on a timely basis.

The Board is of the opinion that such funding will continue to be received and therefore consider the going concern basis of preparation appropriate.

b. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less, net of any bank overdrafts.

Notes To The Financial Statements
For the Year Ended 30 June 2023 (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

c. Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Association and the revenue can be measured reliably. Revenue recognition relating to provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

The following specific criteria must also be met before revenue is recognised:

Funding and Grant Revenue

The Association enters into various agreements with Government agencies to deliver services. At period end the aggregated amount of agreement revenue determined to be unexpended is recorded as a liability in accordance with the terms of agreement.

Funding and grants that do not have specific performance obligations attached are recognised as income when it is probable that the economic benefit will flow to the Association and the income can be reliably measured. Income is recognised when it is received or when the right to receive payment is established.

Environment Fund Income

In accordance with the Associations constitution, tax deductible donations form part of the Environmental Fund and are recognised as a liability when received. Revenue is recognised for the portion of funds spent on environmental initiatives during the year.

Interest Income

Interest income is recognised using the effective interest method, the floating rate for financial assets is the rate inherent in the instrument.

Other forms of revenue are recognised at the date on which the right to receive the revenue or income arises.

All revenue is stated net of the amount of goods and services tax (GST).

d. Trade and Other Payables

Trade and other payables represent the liability outstanding as at the end of the reporting period for goods and services received by the Association, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of the recognition of the liability.

e. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an items of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Notes To The Financial Statements
For the Year Ended 30 June 2023 (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

f. Trade and Other Receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest method, less any allowance for impairment. Trade receivables are generally due for settlement within 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly.

g. Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year 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 employees may not satisfy vesting requirements.

h. Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

i. Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Motor Vehicles

Motor vehicles are measured at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including leased assets depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

The depreciation rates used are:

	2023	2022
Plant and Equipment	33.33%	-
Motor Vehicles	25%	25%

Notes To The Financial Statements
For the Year Ended 30 June 2023 (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

i. Property, Plant and Equipment (Continued)

Assets under the value of \$1,000 are expensed immediately.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

j. Leases

A lease is a contract that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Leases are recognised as right-of-use assets with a corresponding liability at the date which the asset is available for use by the Association. Lease payments are allocated between the lease liability and finance expenses. The finance expenses are charged to the profit or loss over the lease period to recognise the periodic rate of interest, and remaining balance of the lease liability at each reporting date. Building right-of-use assets are depreciated over the lease term.

Assets and liabilities are initially measured on a present value basis. The lease liability includes the present value of fixed and variable payments that depend on an index, initially measured using the index as at the commencement date (reconciled and adjusted for actual index each year). Office right-of-use assets are measured at costs comprising of the initial present value of the lease liability.

k. Critical Accounting Estimates and Judgements

The Board evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

l. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Association has retrospectively applied an accounting policy, made retrospective restatements or reclassified items in the financial statement, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

m. Taxation

The Association is a registered not-for-profit and is endorsed to access the following tax concessions and exemptions: GST Concession, Income Tax Exemption, FBT Rebate.

Notes To The Financial Statements
For the Year Ended 30 June 2023 (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

n. 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 Association's normal operating cycle; or the asset is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for 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 Association'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.

o. New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Association has decided not to early adopt.

Notes To The Financial Statements
For the Year Ended 30 June 2023 (Continued)

Note 2: Revenue and Other Income	2023	2022
	\$	\$
Revenue		
Federal Government Funding	3,291,476	3,395,490
State Government Funding	315,781	274,447
Other Project Funding	963,804	725,333
Commercial Income	5,455	85,876
Total Revenue	4,576,516	4,481,146
 (i) Timing of Revenue Recognition		
At a point in time	3,215,930	2,991,402
Over time	1,360,586	1,489,744
	4,576,516	4,481,146
 Other Income		
Interest Income	106,032	11,225
Rental Income	29,817	24,989
Membership Fees	965	894
Insurance Recoveries	7,847	13,636
Donations	28	-
Total Other Income	144,689	50,744
 Total Revenue and Other Income	4,721,205	4,531,890
 Note 3: Auditor Remuneration		
During the financial year the following fees were paid or payable at financial year end to the auditor:		
Audit of financial statements	15,435	8,050
Total Auditor Remuneration	15,435	8,050
 Note 4: Property, Plant and Equipment		
Motor Vehicles		
Motor Vehicles at Cost	268,239	268,239
Less: Motor Vehicle Accumulated Depreciation	(164,270)	(97,211)
Total Motor Vehicles	103,969	171,028
 Plant and Equipment		
Plant and Equipment at Cost	31,063	19,043
Less: Plant and Equipment Accumulated Depreciation	(11,939)	(2,887)
Total Plant and Equipment	19,124	16,156
 Total Property, Plant and Equipment	123,093	187,184

**Notes To The Financial Statements
For the Year Ended 30 June 2023 (Continued)**

Note 4: Property, Plant and Equipment (Continued)

(i) Movement in Carrying Amounts

Movement in the carrying amount of each class of property, plant and equipment between the beginning and end of the current period:

	Motor Vehicles	Plant and Equipment	Total
	\$	\$	\$
Carrying Amount at 1 July 2021	126,131	-	126,131
Additions	90,058	19,043	109,101
Depreciation	(45,161)	(2,887)	(48,048)
Disposals	-	-	-
Carrying Amount at 30 June 2022	171,028	16,156	187,184
Carrying Amount at 1 July 2022	171,028	16,156	187,184
Additions	-	12,020	12,020
Depreciation	(67,059)	(9,052)	(76,111)
Disposals	-	-	-
Carrying Amount at 30 June 2023	103,969	19,124	123,093

Note 5: Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank	1,814,937	2,850,951
Short term bank deposits	1,553,625	1,527,567
Total Cash and Cash Equivalents	3,368,561	4,378,518

Cash and Cash Equivalents in the Statement of Cash Flows

Cash and cash equivalents at the end of the financial period as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and Cash Equivalents	3,368,561	4,378,518
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Note 6: Trade and Other Receivables

	2023	2022
	\$	\$
Current		
Trade Receivables	606,462	1,132,733
Accrued Income	194,114	15,281
Total Current Trade and Other Receivables	800,576	1,148,014

(i) Credit Risk - Trade and Other Receivables

The Association applied the simplified approach to providing for expected credit losses as prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all accounts receivable.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at the balance date to accounts receivable and other receivables is the carrying amount of those receivables, net of any allowance for doubtful debts and provision for impairment, as disclosed in the note above.

In addition, receivable balances are monitored on an ongoing basis with the result that the Association's exposure to bad debts is not significant. There are no significant concentrations of credit risk.

The following table details the Association's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered to be past due when the debt has not been settled within the terms and conditions agreed between the Association and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Association.

**Notes To The Financial Statements
For the Year Ended 30 June 2023 (Continued)**

Note 6: Trade and Other Receivables (Continued)

The balances of receivables that remain within initial trade terms are considered to be of high credit quality.

	Gross Amount	Within Initial Trade Terms	Past Due and Impaired	Past Due But Not Impaired (Days Overdue)		
				< 30	31 - 60	> 61
	\$	\$	\$	\$	\$	\$
2023						
Trade Receivables	606,462	606,462	-	-	-	-
Accrued Income	194,114	194,114	-	-	-	-
Total	800,576	800,576	-	-	-	-
2022						
Trade Receivables	1,132,733	1,132,645	-	-	-	88
Accrued Income	15,281	15,281	-	-	-	-
Total	1,148,014	1,147,926	-	-	-	88

	2023	2022
	\$	\$
Note 7: Trade and Other Payables		
Current		
Trade Payables	259,123	658,552
Accrued Expenses	273,338	187,023
Credit Card Payables	1,832	1,428
ATO Payables	102,253	158,834
Superannuation Payable	-	15,941
Total Current Trade and Other Payables	636,546	1,021,778

Note 8: Revenue Received in Advance

	2023	2022
Current		
Federal Government - Threatened Flora Project	-	61,451
Federal Government - Future Drought Fund	-	169,250
Lotterywest - Restoring Lake Pleasant View	184,725	116,949
Lotterywest - Songlines and Sustainability	-	195,532
Lotterywest - UWA Walking Together	346,877	314,794
Lotterywest - Enviro Experiences	128,611	-
SCEF - DGR Fund	50,866	77,747
SCMG - Coastwest	19,243	-
South East Reference Group Funds	68,283	69,400
State Government - Amity Reach (Mindaroo)	-	42,543
State Government - Dieback Project	-	88,195
State Government - Healthy Estuaries WA Project	47,708	45,699
State Government - NRM CBIP2008	-	38,416
State Government - NRM Coobidge Creek	-	9,416
State Government - NRM Noongar Kaartdijin	-	12,173
State Government - RED Nursery Enterprises	78,510	85,000
State Government - TPP Strong and Proud	42,876	117,433
Total Revenue Received in Advance	967,699	1,443,998

Notes To The Financial Statements
For the Year Ended 30 June 2023 (Continued)

	2023	2022
	\$	\$
Note 9: Provisions		
Current		
Annual Leave	110,081	114,115
Long Service Leave	78,055	153,818
Other Employment Costs	9,754	-
Total Current Provisions	197,890	267,933
Non-Current		
Long Service Leave	40,486	21,364
Total Non-Current Provisions	40,486	21,364

(i) Movement in Provisions

	Annual Leave	Long Service Leave	Other Employment Costs	Total
	\$	\$	\$	\$
Opening Balance at 1 July 2021	81,521	207,922	61,388	350,831
Movement	32,594	(32,740)	(61,388)	(61,534)
Closing Balance at 30 June 2022	114,115	175,182	-	289,297
Carrying Amount at 1 July 2022	114,115	175,182	-	289,296
Movement	(4,034)	(56,641)	9,754	(50,920)
Closing Balance at 30 June 2023	110,081	118,541	9,754	238,376

Note 10: Right-of-use Assets and Lease Liability

	2023	2022
	\$	\$
(a) Amounts recognised in the balance sheet		
Right-of-use Assets		
Right-of-use assets recognised as at 1 July	65,994	190,554
Revised Future Lease Payment Adjustments	342,137	(25,752)
Depreciation expense	(106,662)	(98,808)
Closing balance as at 30 June	301,469	65,994
Lease Liabilities		
Lease liability recognised as at 1 July	69,195	199,957
Revised Future Lease Payment Adjustments	342,137	(25,752)
Interest	4,441	1,513
Payments	(112,271)	(106,523)
Closing balance as at 30 June	303,503	69,195
(i) Classification		
Current	108,357	69,195
Non-Current	195,146	-
Total	303,503	69,195
(b) Amounts recognised in the profit or loss		
Depreciation of right-of-use asset	106,663	98,808
Interest expense on lease liabilities	4,441	1,513
	111,104	100,321

Notes To The Financial Statements
For the Year Ended 30 June 2023 (Continued)

Note 10: Right-of-use Assets and Lease Liability (Continued)

(c) Leasing Activities

The Association currently holds the following leases:

- Operating lease for rental of office space at 88-90 Stead Road, Centennial Park WA 6330.
- Operating lease for rental of office space at 3/113 Dempster Road, Esperance WA 6450.

Note 11: Related Party Transactions

All transactions with related parties are conducted on an arms length basis and on terms and conditions, that are no more favourable than those available to non-related parties.

Refer to note 13 for payments made to Key Management Personnel.

There were no other related party transaction during the financial year.

Note 12: Cash Flow Information	2023	2022
	\$	\$
(i) Reconciliation of cash flows from operations		
Net (deficit)/surplus for the year	(515,442)	248,926
Less: Items classified as investing activities and non-cash items:		
Annual Leave provision	(50,921)	(61,534)
Depreciation	182,774	146,855
Lease Interest Expense	4,441	1,513
Gain on sale of asset	-	(13,636)
Changes in assets and liabilities:		
(Increase) / Decrease in trade receivables	347,438	246,980
(Increase) / Decrease in prepayments	10,575	(50,822)
(Increase) / Decrease in lease bonds	(3,000)	-
Increase / (Decrease) in trade and other payables	(385,234)	595,065
Increase / (Decrease) in revenue received in advance	(476,299)	401,420
	<u>(885,667)</u>	<u>1,514,767</u>

The Association incurred a net cash outflow for operating activities in the 2023 financial year largely due to spending of cash received in the 2022 financial year for projects (revenue received in advance).

Note 13: Key Management Personnel

The totals of remuneration paid to Key Management Personnel ("KMP") of the Association during the year are as follows:

	2023	2022
		\$
Short-term benefits	204,774	197,751
Post-employment benefits	18,627	18,525
	<u>223,401</u>	<u>216,276</u>

The KMP of the Association during the year were determined to be members of the Board of Management and the Chief Executive Officer.

There were no other payments to KMP during the financial year.

Notes To The Financial Statements
For the Year Ended 30 June 2023 (Continued)

Note 14: Economic Dependency

The Association is dependent upon the ongoing receipt of Federal and State Government funding to ensure the ongoing continuance of its operations. The Association is party to several funding agreements with state and federal Governments, including:

Funder	Project	End Date
State Government	Healthy Estuaries	31/12/24
Lotterywest	Restoring Noongar Boodja	19/2/24
Lotterywest	Enviro Experiences	31/12/23
Federal Government	Fauna Recovery Project	30/6/24
Federal Government	Regional Delivery Partner	30/6/28

At the date of this report, management has no reason to believe that this financial support will not continue.

Note 15: Commitments and Contingencies

The Association did not enter into any capital or operating lease commitments other than those disclosed from Notes 2 to 13 during the current or previous financial years.

Note 16: Subsequent Events

There has not been any matters or circumstances since the reporting period that has significantly affected, or may significantly affect, the operations of the Association, the results of those operations, or the state of affairs of the Association in future years.

Note 17: Entity Details

The registered office and principal place of business of the Association is at the following address:

South Coast Natural Resource Management
88-90 Stead Road
Centennial Park, WA 6330

Board Of Management Declaration

In the opinion of the Board of Management of South Coast Natural Resource Management Inc:

1. There are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable;
2. The Association's figures presented in the financial statements and notes are in accordance with the *Australian Charities and Not-for-Profit Commission Act 2012*, including;
 - (a) giving a true and fair view of the financial position and performance of entity; and
 - (b) complying with Australian Accounting Standards to the extent disclosed in Note 1.

Signed in accordance with a resolution of the Board of Management pursuant to Regulation 60.15 of the *Australian Charities and Not-for-Profit Commission Regulation 2013*.



Andrew Bathgate
Chairperson

Dated at Albany on

01/11/2023

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOUTH COAST NATURAL RESOURCE MANAGEMENT INC.**

Opinion

We have audited the financial report of South Coast Natural Resource Management Inc. which comprises the statement of financial position as at 30 June 2023, the statement of profit and loss, 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 declaration by those charged with governance.

In our opinion, the accompanying financial report has been prepared in accordance with the *Associations Incorporation Act (WA) 2015* and Division 60 of the *Australian Charities and Not-for-profits Commissions Act 2012*, including:

- i) giving a true and fair view, in all material aspects, of the financial position of South Coast Natural Resource Management Inc. as at 30 June 2023, and of its financial performance and its cash flows for the year then ended; and
- ii) complying with Australian Accounting Standards to the extent described in Note 1, the *Associations Incorporation Act (WA) 2015* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 South Coast Natural Resource Management Inc. in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have 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 to assist South Coast Natural Resource Management Inc. to meet the requirements of the *Associations Incorporation Act (WA) 2015* and *Australian Charities and Not-for-profits Commissions Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of Matter- Economic Dependency

We draw attention to Note 14 to the financial report, which describes South Coast Natural Resource Management Inc.'s dependency on funding from the Australian Government together with funding received from other sources. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Act (WA) 2015* and the *Australian Charities and Not-for-profits Commissions Act 2012* and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management are responsible for assessing South Coast Natural Resource Management Inc.'s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intend to liquidate the South Coast Natural Resource Management Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing South Coast Natural Resource Management Inc.'s financial reporting process.

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 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 the financial report.

As part of an audit in accordance with 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the 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 registered 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 our auditor's report. However, future events or conditions may cause the registered 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 our audit.

AMD Chartered Accountants

A handwritten signature in black ink, appearing to read 'TIM PARTRIDGE', written over a horizontal line.

TIM PARTRIDGE FCA
Director

Level 1, 53 Victoria Street, Bunbury, Western Australia Dated this 1 day of November 2023