SOUTHERN GULF CATCHMENTS LIMITED
ACN 107 147 802

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2009

SOUTHERN GULF CATCHMENTS LIMITED
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DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2009.

Directors

The names of the directors in office at any time during or since the end of the financial year are:
Mr Paul Douglas Warren (Ceased 14 March 2009)
Ms Alison Mary Bohannan (Chair from 14 March 2009)
Mr Daniel Fredrick Lynch
Mr Brian William Atherinos
Mr Stephen Leslie Malone
Mr Patrick Denis Donovan (Ceased 31 July 2008)
Mr Edward James Turley
Mr Kenneth Edwin Isaacson (Commenced 31 July 2008)
Councillor Anne Marie Clarke (Commenced 24 October 2008)
Mrs Megan Emma Munchenberg (Commenced 25 June 2009)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.
The following person held the position of company secretary at the end of the financial year:
Donald Conventry has worked for Southern Gulf Catchments Limited since August 2007 as CEO

Operating Results

The loss of the company for the financial year after providing for income tax amounted to $33,606.

Review of Operations

A review of the operations of the company during the financial year and the results of those operations show that the company's operations performed as expected in the opinion of the Directors.

Significant Changes in State of Affairs

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

Principal Activity

The principal activity of the company during the financial year was the management and administration of sustainable natural resouce management in the region.

After Balance Date Events

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.

Likely Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the company's operations.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Information on Directors

The information on directors is as follows:

Mr Paul Douglas Warren	– Previous Chairperson
Qualifications	– Extensive experience in natural resources/community development and a holder of an Agricultural Honours Degree (Canada).
Experience	– Previously the Environmental manager at Mt Gordon Copper Mine

DIRECTORS' REPORT (continued)

Information on Directors (Continued)

Ms Alison Mary Bohannan	– Previous Director Community Sector, Current Chairperson
Qualifications	– Extensive experience in management, faciliatation of small groups and strategic social and economic development training; holder of a master of Social Policy and Bachelor of Arts (Hunanities and Social Sciences) Degree. Also holds a Diploma in Community Services Management and Certificate IV in Business (Governance).
Experience	– Currently Director of Hertz Mount Isa, Teacher of Community Services and Owner/Director Community Business Services. Board Member Laura Johnson Home.
Mr Daniel Fredrick Lynch	– Director Pastoral Sector
Qualifications	– Extensive experience in the community, commercial and pastoral industries and a graduate of Resource Consulting Services at the Natural Institute of Financial Studies.
Experience	– Pastoralist and Manager of Tara Station.
Mr Brian William Atherinos	– Director Tourism and Other Industries Sector
Qualifications	– Trade qualifications within the Tourism and Hospitality Industry, Managerial experience in Tourism.
Experience	– Currently the Manager of Outback @ Isa and Mount Isa Tourism Board Member
Mr Stephen Leslie Malone	– Director Conservation Sector
Qualifications	– Experience working with Community Groups in Natural Resource Managment and has Studied Applied Science.
Experience	– 15 years in NRM in North West Queensland, in the mining industry and also outside of mining. Currently a photographer in the remote and North West Queensland region
Mr Edward James Turley	– Director Mining Sector
Qualifications	– Extensive experience in environmental regulation, people and project management in the mining industry with a Bachelors Degree in Environmental Engineering.
Experience	– Currently employed as Environmental Manager for Xstrata Copper's North Queensland Division
Mr Kenneth Edwin Isaacson	– Director Lower Gulf Indigenous Sector
Qualifications	– 51 Years cultural heritage experience with 11 years lecturing at universities all over the world. Just received international acclaim, the World Archaeological Congress named a world wide scholarship in Ken's name
Experience	– 8 years NRM experience working extensively with elders of North West QLD
Councillor Anne Marie Clarke	– Director Local Government Sector
Qualifications	– Extensive experience in the community and grazing industry, commercial and pastoral industries within the Region.
Experience	– 15 years experience in Local Government with 12 years being Mayor of Burke Shire, Director of own private business, Chair of North QLD Area Consultative Committe, Councillor of AgForce and Previous Director of Tafe
Mrs Megan Emma Munchenberg	- Director Community Sector
Qualifications	- Qualifications in Beef Cattle Production, Meat Science and Technology. Currently Studying a Bachelor of Applied Science in Animal Production/Rangeland Management.
Experience	- 9 years Experience on Pastoral properties in the Southern Gulf Region. Living in the Gregory community for over 5 years. Member of Gregory Landcare Group. Involved in weed monitoring/control and volunteer work for water sampling.

DIRECTORS' REPORT (continued)

Meetings of Directors

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
Mr Paul Douglas Warren (Ceased 14 March 2009)	6	6
Ms Alison Mary Bohannan (Chair from 14 March 2009)	9	9
Mr Daniel Fredrick Lynch	9	7
Mr Brian William Atherinos	9	9
Mr Stephen Leslie Malone	9	7
Mr Patrick Denis Donovan (Ceased 31 July 2008)	1	-
Mr Edward James Turley	9	6
Mr Kenneth Edwin Isaacson (Commenced 31 July 2008)	9	7
Councillor Anne Marie Clarke (Commenced 24 October 2008)	7	2
Mrs Megan Emma Munchenberg (Commenced 25 June 2009)	1	-

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officer or Auditor

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

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Signed in accordance with a resolution of the Board of Directors:

Director _____

Ms Alison Mary Bahannan

Dated this 15th day of September 2009

SOUTHERN GULF CATCHMENTS LIMITED
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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF SOUTHERN GULF CATCHMENTS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 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.

WHK Greenwoods

WHK Greenwoods (Cairns)

Jason Taylor
Partner

15 September 2009
232 Mulgrave Road, Cairns

SOUTHERN GULF CATCHMENTS LIMITED
ACN 107 147 802

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 $	2008 $
Revenue	2	**2,479,867**	3,661,824
Employee benefits expense		**(670,886)**	(833,801)
Advertising		**(29,478)**	(34,359)
Conference Expenses		**(7,272)**	4,814
Information Technology		**(9,252)**	(20,178)
Meeting and Planning		**(26,209)**	(67,862)
Motor Vehicles		**(135,436)**	(75,126)
Project Expenditure		**(1,363,241)**	(2,237,590)
Professional Fees		**(46,875)**	(75,922)
Bank and Credit Card Charges		**(706)**	(1,266)
Depreciation and Amortisation Expense	3	**(20,330)**	(24,247)
Other expenses		**(203,788)**	(326,980)
Profit from operations		**(33,606)**	(30,693)

The accompanying notes form part of these financial statements.

SOUTHERN GULF CATCHMENTS LIMITED
ACN 107 147 802

BALANCE SHEET
AS AT 30 JUNE 2009

	Notes	2009 $	2008 $
CURRENT ASSETS			
Cash and cash equivalents	4	**831,362**	1,091,303
Trade and other receivables	5	**23,016**	64,924
Other	6	**27,447**	23,048
TOTAL CURRENT ASSETS		**881,825**	1,179,275
NON-CURRENT ASSETS			
Property, plant and equipment	7	**61,105**	69,021
TOTAL NON-CURRENT ASSETS		**61,105**	69,021
TOTAL ASSETS		**942,930**	1,248,296
CURRENT LIABILITIES			
Trade and other payables	8	**56,369**	135,975
Financial liabilities		**9,919**	7,857
Provisions	9	**121,745**	96,055
Other	10	**747,043**	966,949
TOTAL CURRENT LIABILITIES		**935,076**	1,206,836
TOTAL LIABILITIES		**935,076**	1,206,836
NET ASSETS		**7,854**	41,460
EQUITY	13		
Retained profits		**7,854**	41,460
TOTAL EQUITY		**7,854**	41,460

The accompanying notes form part of these financial statements.

SOUTHERN GULF CATCHMENTS LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Retained Earnings	Total
	$	$
Balance at 1 July 2007	72,153	72,153
Profit attributable to members of parent entity	(30,693)	(30,693)
Transfers to and from reserves		
Balance at 30 June 2008	41,460	41,460
Profit attributable to minority shareholders	(33,606)	(33,606)
Transfers to and from reserves		
Balance at 30 June 2009	7,854	7,854

The accompanying notes form part of these financial statements.

SOUTHERN GULF CATCHMENTS LIMITED
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 $	2008 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		82,310	46,318
Operating grant receipts		2,406,520	3,146,942
Payments to suppliers and employees		(2,797,535)	(3,818,549)
Interest received		61,178	114,339
Net cash used in operating activities	11	(247,527)	(510,950)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(12,414)	(46,014)
Net cash used in investing activities		(12,414)	(46,014)
Net decrease in cash held		(259,941)	(556,964)
Cash at beginning of financial year		1,091,303	1,648,267
Cash at the end of the finanical year		831,362	1,091,303

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Corporations Act 2001. The directors have determined that the company is not a reporting entity.

Southern Gulf Catchments Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The financial report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following Australian Accounting Standards:

AASB 101:	Presentation of Financial Statements
AASB 110:	Events after the Balance Sheet Date
AASB 1031:	Materiality
AASB 1048:	Interpretation and Application of Standards

No other applicable Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historic costs modified, where applicable, by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

	Note	2009 $	2008 $

NOTE 2: KEY REVENUE ITEMS	2009 $	2008 $
Subsidies and Grants	2,406,520	3,462,846
Interest Received	61,178	114,339
Memberships	1,230	979
Consulting Fees	3,200	-
Management Fees	2,802	11,674
Reimbursed Expenses	4,797	71,986
Equipment Hire	140	-
	2,479,867	3,661,824

NOTE 3: PROFIT

(a) Expenses

Depreciation of property, plant and equipment	20,330	24,247
(b) Revenue and Net Gains		
Net gain on disposal of non-current assets		
- property, plant and equipment	-	(29,092)

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on hand	831,362	1,091,303

NOTE 5: TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	13,892	18,300
Other receivables	9,124	46,624
	23,016	64,924

NOTE 6: OTHER ASSETS

CURRENT

Prepayments	27,447	23,048

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

(a) Plant & equipment

At cost	10,212	7,748
Less accumulated depreciation	(4,900)	(4,256)
	5,312	3,492

	Note	2009 $	2008 $
NOTE 7: PROPERTY, PLANT AND EQUIPMENT (Continued)			
(b) Motor vehicles			
At cost		**34,280**	34,280
Less accumulated depreciation		**(13,309)**	(7,221)
		20,971	27,059
(c) Office Furniture and Equipment			
At cost		**95,240**	95,240
Less accumulated depreciation		**(110,946)**	(102,590)
		(15,706)	(7,350)
(d) Computer equipment			
At cost		**59,590**	49,641
Less accumulated depreciation		**(9,062)**	(3,821)
		50,528	45,820
Total plant and equipment		**61,105**	69,021
Total property, plant and equipment		**61,105**	69,021
NOTE 8: TRADE AND OTHER PAYABLES			
CURRENT			
Unsecured liabilities			
Trade payables		**43,381**	135,975
Sundry payables and accruals		**12,988**	-
		56,369	135,975
NOTE 9: PROVISIONS			
CURRENT			
Employee benefits		**121,745**	96,055
NOTE 10: OTHER LIABILITIES			
CURRENT			
Grants received in advance		**735,729**	931,942
Other current liabilities		**11,314**	35,007
		747,043	966,949

	Note	2009 $	2008 $
NOTE 11: CASH FLOW INFORMATION			
Reconciliation of cash flow from operations with profit after income tax			
Loss from operating activities after income tax		**(33,606)**	(30,693)
Non-cash flows in profit			
Depreciation		**20,330**	24,247
Net (gain) / loss on disposal of property, plant and equipment		**-**	29,092
Changes in assets and liabilities			
(Increase)/decrease in receivables		**4,408**	(38,323)
(Increase)/decrease in other assets		**33,101**	(19,508)
Increase/(decrease) in grants received in advance		**(196,213)**	(744,143)
Increase/(decrease) in payables		**(101,238)**	95,909
Increase/(decrease) in provisions		**25,690**	25,469
Cash at the end of the financial year		**(247,527)**	(510,950)
NOTE 12: RETAINED EARNINGS AT THE BEGINNING OF THE FINANCIAL YEAR			
Retained earnings at the beginning of the financial year		**41,460**	72,153
Net Profit attributable to members		**(33,606)**	(30,693)
Retained Profits at the end of the financial year		**7,854**	41,460

NOTE 13: MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the company. At 30 June 2009 the number of members was 159 (2008: 153).

SOUTHERN GULF CATCHMENTS LIMITED
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DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 12 are in accordance with the Corporations Act 2001:

   (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and

   (b) give a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

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.

Director _____
Ms Alison Mary Bohannan

Dated this 15th day of September 2009

SOUTHERN GULF CATCHMENTS LIMITED
ACN 107 147 802

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SOUTHERN GULF CATCHMENTS LIMITED

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Southern Gulf Catchments Limited, which comprises the balance sheet as at 30 June 2009, income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors financial reporting under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.* We confirm that the independence declaration required required by the *Corporations Act 2001*, provided to the directors of Southern Gulf Catchments Limited on , would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion the financial report of Southern Gulf Catchments Limited is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and

(b) complying with Australian Accounting Standards to the extend described in Note 1 and complying with the *Corporations Regulations 2001*.

WHK Greenwoods

WHK Greenwoods (Cairns)
232-240 Mulgrave Road
Cairns
QLD, 4870

Jason Taylor

Partner

15 September 2009