

Southern Gulf NRM Ltd

ABN: 15 030 795 778

Financial Statements

For the Year Ended 30 June 2017

Southern Gulf NRM Ltd

ABN: 15 030 795 778

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Directors' Report

30 June 2017

The directors present their report on Southern Gulf NRM Ltd for the financial year ended 30 June 2017.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Mrs Megan Emma Munchenberg

Qualifications

Graduate Diploma in Rangeland Management, Bachelor of Applied Science Double Major Rangeland Management, Certificate II, III & IV in Agriculture in beef cattle production, Certificate in Agriculture meat science and technology UNE, Australian Institute of Company Directors training: The Role of the Chair, Evaluating the Board, Leadership in the Boardroom.

Experience

Megan has spent the past 17 years living and working on cattle stations in the Southern Gulf Region. Living at Gregory Downs Station in Gregory and President of the Gregory River Landcare Group. Four years working as a Grazing Land Management consultant with landholders on weed and pest management plans and strategies for native pasture production and management. Independent Chairperson of the National Belly Ache Management Group for two years.

Special responsibilities

Chairperson of Southern Gulf NRM, Director Community Sector, Audit and Risk Sub-Committee, Governance Sub-Committee

Mr Charles Joseph Hawkins
(resigned 31.08.2016)

Qualifications

Advanced Diploma of Agriculture - Rural Business Management

Experience

Charlie and his family own Herbertvale Station in North West Queensland and Malakoff Downs which is a beef producing operation. Charlie has been on the land all his life and has had wide experience in the pastoral industry having owned and worked properties in areas from Central QLD, Northern Darling Downs and Northern Territory. He has experience with extensive grazing trials in some of these areas and has a broad knowledge of many different land types and practices.

Special responsibilities

Director Pastoral Sector, Chairperson Pastoral Industry Advisory Group (PIAG)

Mr Shane Thomas McCarthy
(resigned 31.08.2016)

Qualifications

Councillor Flinders Shire Council (March 2012-March 2016)

Experience

Manager - Shire Council Pool - Two years; 25 years business experience in the grazing industry; President - Hughenden Show.

Special responsibilities

Director Local Government Sector, Director Greater Mount Isa Indigenous Sector, Audit and Risk Sub-Committee

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Directors' Report

30 June 2017

Information on directors continued

Ms Sophia Gail Keily

Qualifications

Experience

Diploma of Teaching, Advanced Certificate of Business

Owner/Principal of Jays Real Estate Mount Isa for last nine years; over 20 years' experience in family real estate business; board member for North Queensland Rescue, Treasurer of the Parents & Friends Association for Good Shepherd Catholic College Mount Isa.

Special responsibilities

Director of Tourism & Other Industries Sector, Director Mining Sector, Chairperson Audit and Risk Sub-Committee

Dr John Arthur Taylor
(resigned 10.7.2016)

Qualifications

Experience

Bachelor of Applied Science Rural Technology (UQ), PhD (UNE); Graduate, Australian Institute of Company Directors

Over 30 years working with CSIRO in research and leadership roles, Professor of Rangeland Management (UQ), President and Director of Australian Rangeland Society, Non-executive Director Primary Industries Education Foundation Australia.

Special responsibilities

Director of Conservation Sector, Governance Sub-Committee

Mrs Wendy Edith Brodie
(appointed 01.07.2016,
resigned 31.05.2017)

Experience

Wendy has 30 years' experience working within the rural industry. She has completed various programs on sustainable grazing management and has been involved in several grazing and cattle management trials.

Special responsibilities

Governance Sub-Committee

Directors' Report

30 June 2017

Information on directors continued

Mrs Anne Margaret Neil
(appointed 10.08.2016)

Qualifications

BSc: Australian Environmental Studies, Griffith University
Grad Cert. Natural Resource Management, University of New
England; Grad Cert. Management, University of Western Sydney;
Masters of Environmental Management, Griffith University

Experience

With a history of working for government and private enterprise both
in the Southern Gulf Catchment and northern Queensland
landscapes, Anne brings to Southern Gulf NRM Ltd. a passion for
connected communities that responsibly utilise and respect the
unique natural, social and economic resources of our region.

She has practical experience in implementation and design of
on-ground programs in the natural resources sector, including Natural
Heritage Trust 1 and 2, National Action Plan for Salinity and Water
Quality, and the Great Artesian Basin Sustainability Initiative. Whilst
trained initially as an environmental scientist, Anne has moved from a
primary focus on natural resource management to proven skills in
regional planning, policy development and implementation, economic
development, major project facilitation and grant administration.

A proud Queenslander, Anne's passion for regional progression is
driven from her upbringing in the Sunshine Coast dairy industry,
where she has seen first-hand how an intrinsic respect and
knowledge of the natural environment can not only drive the economic
sustainability of a business, but also improve the social cohesion of
communities.

Special responsibilities

Governance Sub-Committee

Mr Raymond Vincent Campbell
(appointed 01.07.2016)

Experience

Raised on a mixed farming property, involved in a share farming
operation at a very young age. Has been involved in the livestock
industry for over 40years in North Queensland as a cattle buyer also
as a manager of a pastoral house then as a manager of Rabobank in
Cloncurry. Operates a small grazing business with his family.

Special responsibilities

Audit and Risk Sub-Committee

Mr Raymond Oliver Jones Thieme
(appointed 08.08.2016)

Qualifications

Advanced Diploma Rural Business, Cert I & II Agriculture, Howard
Yelland Seedstock Producer. AusMeat assessment

Experience

Over 30 years' experience in the rural industry, particularly Northern
Australia, managing extensive beef cattle, stud beef cattle in tropically
adapted herds, farming and intensive pasture operations. Actively
involved in both CRC Beef I & II. Currently Queensland Regional
Manager for a fully integrated beef company. Member of numerous
community organisations including the Sedan Dip Campdraft
President, Collinsville Show committee - beef cattle, Australian
Brahman Breeders - technical committee, Gulf Ringers Training
Assoc. - steering committee to develop competency based training in
the northern beef industry.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Directors' Report

30 June 2017

Principal activities

The principal activity of Southern Gulf NRM Ltd during the financial year was the management and administration of sustainable natural resource management in the region.

Southern Gulf NRM Ltd is the region's only community-based organisation that has the sole purpose of working with all the land managers to address natural resource issues at the landscape level - building collaboration, gathering and sharing information and brokering funding for on-ground work.

No significant changes in the nature of the registered entity's activity occurred during the financial year.

Short term objectives

The registered entity's short term objectives are to:

- Successfully meet contractual arrangements with both levels of government while achieving Natural Resource Management (NRM) outcomes.

Long term objectives

The registered entity's long term objectives are to:

- Continue to identify and prioritise NRM issues and risks and advocate for our regional stakeholders and partners.

Strategy for achieving the objectives

To achieve these objectives, the registered entity has adopted the following strategies:

- Engage the community in the development and implementation of an NRM plan.
- Identify, resource, and implement projects to address current and emerging NRM and development priorities.
- Assess, monitor and communicate the impact of projects, and the activities of Southern Gulf NRM Ltd.
- The Company strives to attract and retain quality staff who are committed to working in NRM. The directors consider that attracting and retaining quality staff are essential for the Company to continue providing relevant services. This is critical to achieving all of its short term and long term objectives.
- The Company establishes and fosters working relationships with a range of community stakeholders and partners. By actively encouraging and facilitating stakeholder involvement in our activities, the company will be able to achieve its short term and long term objectives.

Directors' Report

30 June 2017

Review of operations

The loss of the Company for the financial year was \$218,958 (Loss 2016: \$496,934).

- The company incurred a significant trading loss arising from reductions in revenue combined with restrictions in the proportion of revenue that may be allocated to administrative purposes. A reduction in administrative staffing implemented during the year reduced administrative costs, but some of these savings were redirected to improve project delivery performance, ensuring full delivery of contracted commitments. The company entered the year with a budgeted deficit of \$454,763 but achieved the final result of a loss of \$218,958. This loss includes the write off of an amount of \$47,976.06 representing the balance of a loan made by Southern Gulf NRM Ltd to a wholly owned entity SCGM Pty Ltd which ceased operations and was wound up during the 2017 financial year. The improved position arises from above budget revenue received during the course of the year, combined with savings in administrative costs achieved through careful monitoring and management of expenditure. Reserves were, and continue to be, sufficient to carry this loss and the board continues to closely monitor any solvency risks. Southern Gulf NRM Ltd continues to review strategies and means to reverse this situation.

Members guarantee

Southern Gulf NRM Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 50 for members that are corporations and \$ 50 for all other members, subject to the provisions of the company's constitution.

At 30 June 2017 the collective liability of members was \$ 3,800 (2016: \$ 3,700).

Meetings of directors

During the financial year, 9 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mrs Megan Emma Munchenburg	9	9
Mr Charles Joseph Hawkins (resigned 31.08.2016)	-	-
Mr Shane Thomas McCarthy (resigned 31.08.2016)	-	-
Ms Sophia Gail Keily	9	9
Dr John Arthur Taylor (resigned 10.7.2016)	-	-
Mrs Wendy Edith Brodie (appointed 01.07.2016, resigned 31.05.2017)	8	7
Mrs Anne Margaret Neil (appointed 10.08.2016)	9	8
Mr Raymond Vincent Campbell (appointed 01.07.2016)	9	8
Mr Raymond Oliver Jones Thieme (appointed 08.08.2016)	9	7

Directors' Report

30 June 2017

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 7 of the financial report.

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

Director:
Mrs Megan Emma Munchenberg

Dated this 13th day of September 2017

Southern Gulf NRM Ltd

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Auditors Independence Declaration to the Directors of Southern Gulf NRM Ltd

In accordance with the *Australian Charities and Not-for-Profit Commission Act 2012 Section 60-40*, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-Profit Commission Act 2012*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Peter O'Regan, Chartered Accountant



O'Regan & Partners Audit Services Pty Ltd
Chartered Accountants

01 September 2017

70 Camooweal Street, Mount Isa, QLD 4825

Southern Gulf NRM Ltd

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**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2017**

	Note	2017	2016
		\$	\$
Revenue	4	2,139,098	2,140,041
Employee benefits expense		(796,183)	(810,136)
Depreciation and amortisation expense		(63,995)	(79,795)
Professional Fees		(55,054)	(135,949)
Information Technology		(16,517)	(13,252)
Project Expenditure		(986,734)	(1,186,586)
Bank and Credit Card Charges		(556)	(218)
Office Expenses		(137,927)	(138,097)
Meeting and Planning Expenses		(18,371)	(14,757)
Board Expenses		(108,951)	(139,203)
Motor Vehicle Expenses		(41,990)	(32,624)
Travel Expenses		(30,086)	(8,304)
Other Expenses		(101,692)	(78,054)
Loss before income tax		(218,958)	(496,934)
Income tax expense		-	-
Loss from continuing operations		(218,958)	(496,934)
Loss for the year		(218,958)	(496,934)
Other comprehensive income			
Total comprehensive income for the year		(218,958)	(496,934)

The accompanying notes form part of these financial statements.

Southern Gulf NRM Ltd

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Balance Sheet

30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,480,860	1,697,712
Trade and other receivables	6	114,309	55,189
Other assets	8	46,913	28,317
TOTAL CURRENT ASSETS		<u>1,642,082</u>	<u>1,781,218</u>
NON-CURRENT ASSETS			
Trade and other receivables		-	50,000
Property, plant and equipment	7	239,448	289,065
Other assets	8	5,647	5,647
TOTAL NON-CURRENT ASSETS		<u>245,095</u>	<u>344,712</u>
TOTAL ASSETS		<u>1,887,177</u>	<u>2,125,930</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	332,631	323,563
Borrowings	10	10,606	6,343
Other liabilities		220,123	257,825
TOTAL CURRENT LIABILITIES		<u>563,360</u>	<u>587,731</u>
NON-CURRENT LIABILITIES			
Employee benefits	11	53,988	49,413
TOTAL NON-CURRENT LIABILITIES		<u>53,988</u>	<u>49,413</u>
TOTAL LIABILITIES		<u>617,348</u>	<u>637,144</u>
NET ASSETS		<u>1,269,829</u>	<u>1,488,787</u>
EQUITY			
Retained earnings		<u>1,269,829</u>	<u>1,488,787</u>
TOTAL EQUITY		<u>1,269,829</u>	<u>1,488,787</u>

The accompanying notes form part of these financial statements.

Southern Gulf NRM Ltd

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Statement of Changes in Equity
For the Year Ended 30 June 2017

2017

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2016	1,488,787	1,488,787
Loss attributable to members of the entity	(218,958)	(218,958)
Balance at 30 June 2017	1,269,829	1,269,829

2016

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2015	1,985,721	1,985,721
Loss attributable to members of the entity	(496,934)	(496,934)
Balance at 30 June 2016	1,488,787	1,488,787

The accompanying notes form part of these financial statements.

Southern Gulf NRM Ltd

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**Statement of Cash Flows
For the Year Ended 30 June 2017**

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	230,077	194,370
Payments to suppliers and employees	(2,631,773)	(3,147,152)
Interest received	24,316	49,084
Operating grants received	2,174,907	2,286,795
Net cash provided by/(used in) operating activities	<u>(202,473)</u>	<u>(616,903)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	(3,928)	(981)
Purchase of property, plant and equipment	(10,451)	(8,874)
Net cash used by investing activities	<u>(14,379)</u>	<u>(9,855)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	(216,852)	(626,758)
Cash and cash equivalents at beginning of year	1,697,712	2,324,470
Cash and cash equivalents at end of financial year	5 <u>1,480,860</u>	<u>1,697,712</u>

The accompanying notes form part of these financial statements.

Southern Gulf NRM Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2017

The financial report covers Southern Gulf NRM Ltd as an individual entity. Southern Gulf NRM Ltd is a not-for-profit registered entity limited by guarantee.

The functional and presentation currency of Southern Gulf NRM Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on 31 August 2017.

1 Basis of Preparation

The directors have prepared the financial statements on the basis that the not-for-profit Company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore a special purpose financial statements that has been prepared in order to meet the requirements of the *Australian Charities and Not-for-Profit Commission Act 2012*.

The financial statements have been prepared in accordance and compliance with the minimum Accounting Standards Under Special Purpose; AASB 101 Preparation of Financial Statements; AASB 107 Statement of Cash Flows; AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors; AASB 1031 Materiality; AASB 1048 Interpretation of Accounting Standards; AASB 1054 Australian Additional Disclosures, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

The registered entity is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the registered entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies continued

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the balance sheet as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Southern Gulf NRM Ltd receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the balance sheet, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised as revenue when received.

Subscriptions

Revenue from the provision of membership subscriptions is recognised as revenue when received.

(d) 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 payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

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.

(e) 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.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies continued

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Plant and Equipment	8-25%
Furniture, Fixtures and Fittings	7-40%
Motor Vehicles	22.5%
Computer Equipment	15-40%
Leasehold improvements	20%

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.

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the registered entity becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Impairment of financial assets

At the end of the reporting period the registered entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies continued

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(g) **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.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the balance sheet.

(h) **Employee benefits**

Provision is made for the registered entity'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 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 national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the balance sheet if the registered entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Termination benefits

Termination benefits are those benefits paid to an employee as a result of either the entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Termination benefits are recorded as a provision at the earlier of the following dates:

- When the entity can no longer withdraw the offer of those benefits; and
- When the entity recognises costs for a restructuring that is within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of termination benefits.

Notes to the Financial Statements

For the Year Ended 30 June 2017

(i) **Adoption of new and revised accounting standards**

No new standards have become effective that affect the Company.

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 - impairment of property, plant and equipment

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about the future operating results and the determination of a suitable discount rate.

Key estimates - Long Service Leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liabilities, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Notes to the Financial Statements

For the Year Ended 30 June 2017

4 Revenue and Other Income

Revenue from continuing operations

	2017	2016
	\$	\$
Finance income		
- other interest received	24,316	49,084
Other revenue		
- operating grants	1,875,585	1,991,277
- donations	-	270
- member subscriptions	1,365	1,327
- other trading revenue	237,832	98,083
	2,114,782	2,090,957
Total Revenue	2,139,098	2,140,041

5 Cash and cash equivalents

Cash at bank and in hand	1,480,860	1,697,712
	1,480,860	1,697,712

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the balance sheet as follows:

Cash and cash equivalents	1,480,860	1,697,712
Balance as per statement of cash flows	1,480,860	1,697,712

6 Trade and other receivables

CURRENT

Trade receivables	114,309	55,189
Total current trade and other receivables	114,309	55,189

Notes to the Financial Statements

For the Year Ended 30 June 2017

7 Property, plant and equipment

	2017	2016
	\$	\$
Plant and equipment		
Opening balance	33,223	30,866
Accumulated depreciation	(19,098)	(16,556)
Total plant and equipment	<u>14,125</u>	<u>14,310</u>
Furniture, fixtures and fittings		
Opening balance	161,587	161,587
Accumulated depreciation	(157,961)	(157,234)
Total furniture, fixtures and fittings	<u>3,626</u>	<u>4,353</u>
Motor vehicles		
Opening balance	253,389	253,389
Accumulated depreciation	(138,402)	(105,019)
Total motor vehicles	<u>114,987</u>	<u>148,370</u>
Computer equipment		
Opening balance	94,930	86,747
Accumulated depreciation	(61,662)	(52,601)
Total computer equipment	<u>33,268</u>	<u>34,146</u>
Leasehold Improvements		
Opening balance	196,552	192,714
Accumulated depreciation	(123,109)	(104,828)
Total Leasehold Improvements	<u>73,443</u>	<u>87,886</u>
Total property, plant and equipment	<u><u>239,448</u></u>	<u><u>289,065</u></u>
8 Other non-financial assets		
CURRENT		
Prepayments	27,524	28,317
Accrued income	19,389	-
	<u>46,913</u>	<u>28,317</u>
NON-CURRENT		
Other non-current assets	<u>5,647</u>	<u>5,647</u>
	<u><u>5,647</u></u>	<u><u>5,647</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

9 Trade and other payables

	2017	2016
	\$	\$
CURRENT		
Trade payables	189,177	190,349
Employee benefits	116,235	125,091
Sundry payables and accrued expenses	27,219	8,123
	<u>332,631</u>	<u>323,563</u>

10 Borrowings

CURRENT		
Secured liabilities:		
Other financial liabilities	10,606	6,343
	<u>10,606</u>	<u>6,343</u>
Total current borrowings	<u>10,606</u>	<u>6,343</u>

11 Employee Benefits

Non-current liabilities		
Long service leave	53,988	49,413
	<u>53,988</u>	<u>49,413</u>

12 Members' Guarantee

The registered entity is incorporated under the *Corporations Act 2001* and is a registered entity limited by guarantee. If the registered entity is wound up, the constitution states that each member is required to contribute a maximum of \$ 50 each towards meeting any outstandings and obligations of the registered entity. At 30 June 2017 the number of members was 76 (2016: 74).

13 Contingencies

In the opinion of the Directors, the registered entity did not have any contingencies at 30 June 2017 (30 June 2016:None).

14 Events Occurring After the Reporting Date

The financial report was authorised for issue on 31 August 2017 by the Board of Directors.

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

Notes to the Financial Statements

For the Year Ended 30 June 2017

15 Other Matters

- (a) Electronic Presentation of the Audited Financial Report
 - (i) Those viewing an electronic presentation of these financial statements should note that audit does not provide an assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

- (b) Change in constitution/board structure
 - (i) In November 2015, the members voted for a constitutional change which created a skills-based Board replacing the existing sector membership Board. The new Board were recruited through an independent selection process and took over in July 2016.

Directors' Declaration

The directors of the registered entity declare that in the directors' opinion:

1. The financial statements and notes, as set out on pages 8 to 20, satisfy the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and:
2. In the directors' opinion, there are reasonable grounds to believe that the registered entity is able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-Profit Commission Regulation 2013*.

Director
Megan Emma Munchenberg

Dated this 1st day of September 2017

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF SOUTHERN GULF NRM LTD

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Southern Gulf NRM Ltd. which comprises the statement of financial position as at 30 June 2017, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2017, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-For-Profit Act 2012* and are appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee members, as well as evaluating the overall presentation of the financial report.

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

Independence

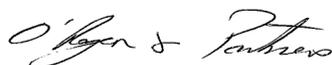
In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-Profit Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-Profit Act 2012* which has been given to the directors Southern Gulf NRM Ltd, would be in the same terms if given to the directors as at the time of the auditor's report.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial report of Southern Gulf NRM Ltd for the year ended 30 June 2017 and complies with Australian Accounting Standards to the extent described in Note 1 to the financial report.

Basis of Accounting

Without modifying our opinion, 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 the directors' reporting responsibilities to the members. As a result, the financial report may not be suitable for another purpose.



O'Regan & Partners
Chartered Accountants
QCCU Building
70 Camooweal Street
MOUNT ISA QLD 4825



Peter O'Regan
Partner
Date: 01 September 2017