

# **BURNETT MARY REGIONAL GROUP FOR NRM LTD**

**ABN: 15 144 005 229**

**Financial Report For The Year Ended  
30 June 2021**

# Burnett Mary Regional Group for NRM Ltd

ABN: 15 144 005 229

## Financial Report For The Year Ended 30 June 2021

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**BURNETT MARY REGIONAL GROUP FOR NRM LTD**  
**ABN: 15 144 005 229**  
**DIRECTORS' REPORT**

Your directors present this report on the entity for the financial year ended 30 June 2021.

**Directors**

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

Philip Hugh Brown resigned (27/11/2020)  
Vanessa Mary Ruth Elwell Gavins resigned (27/11/2020)  
Anthony Leone Ricciardi  
Elizabeth Anne Shanks resigned (27/11/2020)  
Michael William Moller resigned (27/11/2020)  
Brent Mclellan appointed (27/11/2020)  
Dale Holliss appointed (27/11/2020)  
Elke Watson appointed (27/11/2020)  
Nadia Campbell appointed (27/11/2020)

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

**Principal Activities**

The principal activity of Burnett Mary Regional Group for NRM Ltd during the financial year was to develop and deliver natural resource management activities for the purpose of protecting, enhancing and /or improving the natural environment or a significant aspect of the natural environment within the Burnett Mary Region.

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

**Short-term and Long-term Objectives**

The company's short-term objectives are to address the issues of water quality and biodiversity decline, weed and pest management and sustainable use of our land and marine assets.

The company's long term objectives are to improve the health and management of our region's natural resources - our land, water, coasts, flora and fauna.

**Strategies**

To achieve its stated objectives, the entity has adopted the following strategies:

- To achieve professional, valued, cost effective delivery of NRM activities in the Burnett Mary Region;
- To communicate effectively with our community and stakeholders and to build and maintain strategic, strong, enduring, productive partnerships;
- To build effective advocacy and influence NRM policy, investment and planning in the region; and,
- To ensure BMRG is a robust and progressive organisation with effective management and governance.

**Members' Guarantee**

Burnett Mary Regional Group for 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 member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10 for members that are corporations and \$10 for all other members, subject to the provisions of the company's constitution.

**Key Performance Measures**

The entity measures its performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the entity's short-term and long-term objectives are being achieved.

**Operating Results**

The profit of the Company after providing for income tax amounted to \$217,599 (2020: \$100,422).

**BURNETT MARY REGIONAL GROUP FOR NRM LTD**  
**ABN: 15 144 005 229**  
**DIRECTORS' REPORT**

**Meetings of Directors**

During the financial year, Five (5) meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Philip Hugh Brown	2	2
Vanessa Mary Ruth Elwell Gavins	2	2
Anthony Leone Ricciardi	5	5
Elizabeth Anne Shanks	2	2
Michael William Moller	2	2
Brent Mclellan	3	3
Dale Holliss	3	3
Elke Watson	3	3
Nadia Campbell	3	3

**Auditor's Independence Declaration**

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2021 has been received and can be found on page 3 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director



Anthony Leone Ricciardi

Dated this

day of 18 - 11 - 2021

## Burnett Mary Regional Group for NRM Ltd

ABN: 15 144 005 229

### Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Directors of Burnett Mary Regional Group for NRM Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Ulton Chartered Accountants



Bernard Whebell CA  
Partner

Dated this 15th day of November 2021

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Fortitude Valley Qld 4006  
T (07) 3071 3000

#### Bundaberg

62 Woondooma Street  
Bundaberg Qld 4670  
T (07) 4154 0400

#### Fraser Coast

20 Main Street  
Pialba Qld 4655  
T (07) 4197 6300

#### Gladstone

Unit 2, 165 Auckland Street  
Gladstone Qld 4680  
T (07) 4970 6200



**BURNETT MARY REGIONAL GROUP FOR NRM LTD**  
**ABN: 15 144 005 229**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR**  
**ENDED 30 JUNE 2021**

	<b>Note</b>	2021	2020
		\$	\$
Revenue	2	8,000,257	4,345,047
Other income	2	1,585,076	1,152,289
Employee benefits expense		(1,949,184)	(1,977,951)
Depreciation and amortisation expense		(203,069)	(97,066)
Project Implementation		(5,933,474)	(2,460,991)
Sundry expenses		(1,282,007)	(860,907)
<b>Current year surplus before income tax</b>		<u>217,599</u>	<u>100,422</u>
Income tax expense			
<b>Net current year surplus</b>		<u>217,599</u>	<u>100,422</u>
<b>Other comprehensive income</b>			
<b>Total comprehensive income for the year</b>		<u>217,599</u>	<u>100,422</u>

The accompanying notes form part of these financial statements.

**BURNETT MARY REGIONAL GROUP FOR NRM LTD**  
**ABN: 15 144 005 229**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Note	2021 \$	2020 Restated \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,145,903	1,907,255
Accounts receivable and other debtors	4	77,491	83,519
Other current assets	5	2,429,324	391,464
<b>TOTAL CURRENT ASSETS</b>		<u>3,652,718</u>	<u>2,382,238</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	691,038	394,856
Right-of-use assets	7	669,609	568,316
Investments - Shares in tactiv		45,000	45,000
Lease Deposit - 160 Hughes Road		23,749	18,315
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,429,396</u>	<u>1,026,487</u>
<b>TOTAL ASSETS</b>		<u>5,082,114</u>	<u>3,408,725</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	8	1,194,859	292,067
Contract liabilities	9	956,317	433,321
Employee provisions	10	66,445	109,248
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,217,621</u>	<u>834,636</u>
<b>NON-CURRENT LIABILITIES</b>			
Accounts payable and other payables	8	634,763	529,244
Employee provisions	10	39,168	71,882
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>673,931</u>	<u>601,126</u>
<b>TOTAL LIABILITIES</b>		<u>2,891,552</u>	<u>1,435,762</u>
<b>NET ASSETS</b>		<u>2,190,562</u>	<u>1,972,963</u>
<b>EQUITY</b>			
Retained surplus		2,190,562	1,972,963
Reserves		-	-
<b>TOTAL EQUITY</b>		<u>2,190,562</u>	<u>1,972,963</u>

The accompanying notes form part of these financial statements.

**BURNETT MARY REGIONAL GROUP FOR NRM LTD**  
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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021**

	Note	Retained Surplus	Total
		\$	\$
<b>Balance at 1 July 2019</b>		1,872,542	1,872,542
<b>Comprehensive Income</b>			
Surplus for the year attributable to owners of the entity		100,422	100,422
<b>Balance at 30 June 2020</b>		1,972,963	1,972,963
<b>Balance at 1 July 2020</b>		1,972,963	1,972,963
<b>Comprehensive Income</b>			
Surplus for the year attributable to owners of the entity		217,599	217,599
<b>Balance at 30 June 2021</b>		2,190,562	2,190,562

The accompanying notes form part of these financial statements.



**BURNETT MARY REGIONAL GROUP FOR NRM LTD**  
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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Commonwealth, state and local government grants		7,542,985	6,110,884
Payments to suppliers and employees		(7,809,740)	(6,526,297)
Interest received		9,043	38,471
Membership Fee received		1,473	1,178
Net cash generated from operating activities	14	<u>(256,239)</u>	<u>(375,764)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		8,182	9,090
Payment for property, plant and equipment		(441,261)	(141,158)
Lease deposit		(5,434)	(18,315)
		-	-
Net cash used in investing activities		<u>(438,513)</u>	<u>(150,383)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		(39,071)	-
Interest paid on lease liabilities		(27,529)	-
		-	-
Net cash used in financing activities		<u>(66,600)</u>	<u>-</u>
Net increase in cash held		(761,352)	(526,147)
Cash on hand at beginning of the financial year		1,907,255	2,433,402
Cash on hand at end of the financial year	3	<u>1,145,903</u>	<u>1,907,255</u>

The accompanying notes form part of these financial statements.

**BURNETT MARY REGIONAL GROUP FOR NRM LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**Note 1 Summary of Significant Accounting Policies**

**Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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.

**Accounting Policies**

**(a) Revenue**

**Revenue recognition**

*Contributed assets*

The Entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116, AASB 1058 and AASB 138).

On initial recognition of an asset, the Entity recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Entity recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

*Operating grants, donations and bequests*

When the entity received operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Entity:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

*Capital grants*

When the Entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards. The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under the terms of the grant.

*Interest income*

Interest income is recognised using the effective interest method.

*Dividend income*

The Entity recognises dividends in profit or loss only when the Entity's right to receive payment of the dividend is established.

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

**(b) Inventories**

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**(c) Fair Value of Assets and Liabilities**

The Entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**(d) 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 on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

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 company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

**Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	12.5 - 50%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**(e) Leases**

**The Entity as lessee**

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

*Concessionary Leases*

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 16 and measures the right-of-use assets at cost on initial recognition.

**The Entity as lessor**

The Entity leases some rooms in their building to external parties.

Upon entering into each contract as a lessor, the Entity assesses if the lease is a finance or operating lease

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Entity's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Entity uses the relative stand-alone price to allocate the consideration under the contract to the lease and non-lease components.

**(f) Financial Instruments**

*Initial Recognition and Measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**Classification and Subsequent Measurement**

*Financial liabilities*

A financial liability is measured at fair value through profit and loss if the financial liability is

- amortised cost; or
- fair value through profit and loss.

Financial liabilities are subsequently measured at:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

**Financial assets**

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;

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- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

#### **Equity instruments**

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: Business Combinations applies, the entity made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the entity's accounting policy.

#### **Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

##### *Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### *Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. the entity has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

#### **Impairment**

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach
- the simplified approach
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

##### *General approach*

**BURNETT MARY REGIONAL GROUP FOR NRM LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

*Simplified approach*

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc.).

*Purchased or originated credit-impaired approach*

For a financial asset that is considered credit-impaired (not on acquisition or origination), the entity measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- high probability that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

*Low credit risk operational simplification approach*

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the entity applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term;
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

**Recognition of expected credit losses in financial statements**

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

**(g) Impairment of Assets**

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

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Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

**(h) Employee Provisions**

**Short-term employee provisions**

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, sick leave and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

**Other long-term employee provisions**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The entity's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

**(i) Cash and cash equivalents**

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

**(j) Accounts receivable and other debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

**(k) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(l) Income Tax**

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

**(m) Intangible Assets**

**Software**

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

**(n) Provisions**

Provisions are recognised when the entity 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.

**(o) Comparative Figures**



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

When the entity retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

**(p) Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements 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 entity.

**Key Estimates**

*(i) Impairment*

No freehold land and buildings were held as at 30 June 2021.

*(ii) Useful lives of property, plant and equipment*

As described in Note 1(d), the company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

**Key Judgements**

*(i) Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

*(ii) Lease term and option to extend under AASB 16*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised are a key management judgement that the Entity will make. The Entity determines the likelihood to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the Entity.

*(iii) Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

**(q) Economic Dependence**

The Entity is dependent on the Federal and State Government Departments ('Department') for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support the Entity.

**(r) New and Amended Accounting Policies Adopted by the Entity**

**Initial adoption of AASB 2020-04: Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions**

AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19- Related Rent Concessions amends AASB 16: *Leases* by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

**Initial adoption of AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business**

AASB 2018-6: *Amendments to Australian Accounting Standards – Definition of a Business* amends and narrows the definition of a business specified in AASB 3 Business Combinations, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

The adoption of these standards did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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**(s) New and Amended Accounting Policies Not Yet Adopted by the Entity**

**AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities**

The AASB has issued AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. AASB 1060 defines the disclosure requirements for Tier 2 general purpose financial statements, as defined by Australian Accounting Standards, and serves as a replacement for the existing reduced disclosure regime.

AASB 1060 may be early-adopted and is mandatory for periods beginning on or after 1 July 2021 (and is mandatory for the Entity's 30 June 2022 year end).

**Note 2 Revenue and Other Income**

	2021	2020
	\$	\$
<b>Revenue</b>		
Revenue from delivery of services		
— State/federal government grants – operating	8,000,257	4,345,047
<b>Total revenue</b>	8,000,257	4,345,047
<b>Other income</b>		
Interest received on investments in government and		
— fixed interest securities	9,043	38,471
— Other	1,574,561	1,112,641
— Membership Fees	1,473	1,178
<b>Total other income</b>	1,585,076	1,152,289
<b>Total revenue and other income</b>	9,585,333	5,497,336

	2021	2020
	\$	\$
<b>a. Expenses</b>		
Employee benefits expense:		
— contributions to defined contribution superannuation funds	-	-
— Salary and Wages	1,827,339	1,790,425
— Superannuation	155,891	163,297
— Other Staff Expenses	(34,046)	24,229
Total employee benefits expense	1,949,184	1,977,951
Audit fees:		
— audit services	13,360	12,600
— taxation services	-	-
Total audit remuneration	13,360	12,600
Depreciation and amortisation:		
— Plant and Machinery	203,069	97,066
Total depreciation and amortisation	203,069	97,066

**Note 3 Cash and Cash Equivalents**

	2021	2020
	\$	\$
<b>CURRENT</b>		
Cash at bank – unrestricted	1,145,766	1,907,190
Cash float	136	66
	1,145,903	1,907,255

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**Note 4 Accounts Receivable and Other Debtors**

	Note	2021 \$	2020 \$
<b>CURRENT</b>			
Accounts receivable		77,491	83,519
Total current accounts receivable and other debtors		77,491	83,519

The entity applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2021 is determined as follows; the expected credit losses also incorporate forward-looking information.

	Current \$	>30 days past due \$	>60 days past due \$	>90 days past due \$
<b>2021</b>				
Expected loss rate	0%	0%	0%	0%
Gross carrying amount	77,491	-	-	-
Loss allowance provision	-	-	-	-
<b>2020</b>				
Expected loss rate	0%	0%	0%	0%
Gross carrying amount	83,519	-	-	-
Loss allowance provision	-	-	-	-

**(b) Credit risk**

The entity has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 4. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the entity.

The entity always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The entity writes off a trade receivable when there is available information that the debtor is in severe financial difficulty and there is no realistic likelihood of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

**Note 5 Other Current Assets**

	2021 \$	2020 \$
Accrued Income	2,300,423	307,645
Prepayments	128,901	83,819
	2,429,324	391,464

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**Note 6 Property, Plant and Equipment**

	2021	2020
	\$	\$
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment:		
At cost	1,797,058	1,382,666
Less accumulated depreciation	(1,106,020)	(987,810)
Less accumulated impairment losses	-	-
Total plant and equipment	691,038	394,856
 Total property, plant and equipment	 691,038	 394,856

**Movements in Carrying Amounts**

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

	Plant and Equipment	Total
	\$	\$
<b>2020</b>		
Balance at the beginning of the year	359,854	359,854
Additions at cost	141,158	141,158
Additions at fair value	-	-
Disposals	(9,090)	(9,090)
Revaluations	-	-
Depreciation expense	(97,066)	(97,066)
Impairment losses	-	-
Reversals of impairment losses	-	-
Carrying amount at the end of the year	394,856	394,856
<b>2021</b>		
Balance at the beginning of the year	394,856	394,856
Additions at cost	441,261	441,261
Additions at fair value	-	-
Disposals	(1,771)	(1,771)
Revaluations	-	-
Depreciation expense	(143,308)	(143,308)
Impairment losses	-	-
Reversals of impairment losses	-	-
Carrying amount at the end of the year	691,038	691,038

**Asset Revaluations**

No freehold land and buildings were held as at 30 June 2021.

**Note 7 Right-of-use Assets**

The Entity's lease portfolio includes buildings.

**(a) Options to Extend or Terminate**

The options to extend or terminate are contained in several of the property leases of the Entity. These clauses provide the Entity opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Entity. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

**AASB 16 related amounts recognised in the balance sheet**

	2021	2020
	\$	\$
<u>Right-of-use assets</u>		
Leased building	729,369	568,316
Accumulated depreciation	(59,760)	-
	669,609	568,316
Total right-of-use asset	669,609	568,316

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**Note 8 Accounts Payable and Other Payables**

	Note	2021 \$	2020 \$
<b>CURRENT</b>			
Accounts payable		1,030,728	164,331
Other current payables		16,204	20,291
GST payable		34,882	(35,180)
Accrued Liabilities		13,060	67,651
Payroll Liabilities		43,909	35,903
Lease liability		56,076	39,072
	8a	<u>1,194,859</u>	<u>292,067</u>
<b>NON-CURRENT</b>			
Lease liability		634,763	529,244
		<u>634,763</u>	<u>529,244</u>
		2021 \$	2020 \$
<b>a Financial liabilities at amortised cost classified as accounts payable and other payables</b>			
Accounts payable and other payables:			
— Total current		1,194,859	292,067
— Total non-current		634,763	529,244
		<u>1,829,622</u>	<u>821,311</u>
Less deferred income			
Less other payables (net amount of GST payable)			
Financial liabilities as accounts and other payables		<u>1,829,622</u>	<u>821,311</u>

**Note 9 Contract Liability**

	2021 \$	2020 \$
Balance at the beginning of the year	433,321	1,535,006
Grants receipts where performance obligation satisfied in current year	(8,000,257)	(4,345,047)
Total Grants received	8,523,253	3,243,362
Closing balance at the end of the year	<u>956,317</u>	<u>433,321</u>

If grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15, the amount received at that point in time, is recognised as a contract liability until the performance obligations have been satisfied.

**Note 10 Employee Provisions**

	2021 \$	2020 \$
<b>CURRENT</b>		
Provision for employee benefits: annual leave	66,445	109,248
	<u>66,445</u>	<u>109,248</u>
<b>NON-CURRENT</b>		
Provision for employee benefits: long service leave	39,168	71,882
	<u>105,613</u>	<u>181,131</u>

**Provision for employee benefits**

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

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In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(h).

**Note 11 Contingent Liabilities and Contingent Assets**

No contingent liabilities have been identified as at 30 June 2021 (30 June 2020: None)

**Note 12 Events After the Reporting Period**

The directors are not aware of any significant events since the end of the reporting period.

**Note 13 Related Party Transactions**

**a. Key Management Personnel**

The totals of remuneration paid to KMP of the entity during the year are as follows:

	2021	2020
	\$	\$
KMP compensation:		
— short-term employee benefits	161,011	155,615
— post-employment benefits	15,222	14,745
— other long-term benefits		
	176,233	170,360

**b. Other Related Parties**

No other related party transactions existed in 2021.

**Note 14 Cash Flow Information**

	2021	2020
	\$	\$
<b>a. Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus</b>		
Net current year surplus	217,599	100,422
Adjustment for:		
Depreciation and amortisation expense	203,069	97,066
(Increase)/decrease in accounts receivable and other debtors	6,028	145,442
Increase/(decrease) in accounts payable and other payables	1,008,739	(156,030)
(Increase)/decrease in other current assets	(2,139,153)	507,755
Increase/(decrease) in employee provisions	(75,518)	31,268
Increase/(decrease) in contract liability	522,997	(1,101,686)
	(256,239)	(375,764)

**b. Changes in Liabilities arising from Financing Activities**

	1 July 2020	Cash flows	Acquisition	30 June 2021
	\$			\$
Lease liabilities	568,316	(39,071)	161,594	690,839
Total	568,316	(39,071)	161,594	690,839

  

	1 July 2019	Cash flows	Acquisition	30 June 2020
	\$			\$
Lease liabilities	-	-	568,316	568,316
Total	-	-	568,316	568,316

**Financial Risk Management Policies**

The finance committee is responsible for monitoring and managing the entity's compliance with its risk management strategy and consists of senior board members. The finance committee's overall risk management strategy is to assist the entity in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

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**Specific Financial Risk Exposures and Management**

The main risks the entity is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the entity is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

**(a) Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

The company does not have any material credit risk exposures as its major source of revenue is the receipt of grants. Credit risk is further mitigated as over 100% of the grants being received from Commonwealth, State and Local governments are in accordance with funding agreements which ensure regular funding for a period of 1 year.

*Credit risk exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 4.

The entity has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 4.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2021 \$	2020 \$
Cash and cash equivalents			
— AA rated	3	1,145,903	1,907,255
		<u>1,145,903</u>	<u>1,907,255</u>

**(b) Liquidity risk**

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The company does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

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*Financial liability and financial asset maturity analysis*

	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Financial liabilities due for payment</b>	\$	\$	\$	\$	\$	\$	\$	\$
Accounts payable and other payables (excluding estimated annual leave and deferred income)	1,138,783	252,995	-	-	-	-	1,138,783	252,995
Lease liabilities	56,076	39,072	353,548	249,936	281,215	279,308	690,839	568,316
Total expected outflows	1,194,859	292,067	353,548	249,936	281,215	279,308	1,829,622	821,311
<b>Financial Assets - cash flows realisable</b>								
Cash and cash equivalents	1,145,903	1,907,255	-	-	-	-	1,145,903	1,907,255
Investments in government and fixed interest securities	-	-	-	-	-	-	-	-
Accounts receivable and other debtors	77,491	83,519	-	-	-	-	77,491	83,519
Other financial assets	2,300,423	307,645					2,300,423	307,645
Total anticipated inflows	3,523,817	2,298,419	-	-	-	-	3,523,817	2,298,419
Net (outflow) / inflow on financial instruments	2,328,958	2,006,352	(353,548)	(249,936)	(281,215)	(279,308)	1,694,195	1,477,108

**(c) Market Risk**

**i. Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the company to interest rate risk are limited to lease liabilities, listed shares, government and fixed interest securities, and cash on hand.

The company also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

**ii. Other price risk**

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.



**BURNETT MARY REGIONAL GROUP FOR NRM LTD**  
**ABN: 15 144 005 229**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

**Fair Values**

**Fair value estimation**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments, which are carried at amortised cost (i.e. accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the company.

	Note	2021		2020	
		Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
<b>Financial assets</b>					
Financial assets at amortised cost:					
— cash and cash equivalents (i)	3	1,145,903	1,145,903	1,907,255	1,907,255
— government and fixed interest securities		-	-	-	-
— accounts receivable and other debtors (i)	4	77,491	77,491	83,519	83,519
Total financial assets at amortised cost		<u>1,223,393</u>	<u>1,223,393</u>	<u>1,990,774</u>	<u>1,990,774</u>
Financial assets at fair value through profit or loss:					
— listed investments held for trading		-	-	-	-
Total financial assets at fair value through profit or loss		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total financial assets at fair value through other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total financial assets</b>		<u><u>1,223,393</u></u>	<u><u>1,223,393</u></u>	<u><u>1,990,774</u></u>	<u><u>1,990,774</u></u>
<b>Financial liabilities</b>					
Financial liabilities at amortised cost:					
Accounts payable and other payables (i)	8a	1,829,622	-	821,311	-
Lease liabilities		-	-	-	-
<b>Total financial liabilities</b>		<u><u>1,829,622</u></u>	<u><u>-</u></u>	<u><u>821,311</u></u>	<u><u>-</u></u>

- (i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Accounts payable and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 9.

**Note 15 Entity Details**

The registered office of the entity is:

Burnett Mary Regional Group for NRM Ltd  
160 Hughes Road, Bargara QLD 4670

The principal place of business is:

Burnett Mary Regional Group for NRM Ltd  
160 Hughes Road, Bargara QLD 4670

**BURNETT MARY REGIONAL GROUP FOR NRM LTD**  
**ABN: 15 144 005 229**  
**DIRECTORS' DECLARATION**

In accordance with a resolution of the Directors of Burnett Mary Regional Group for NRM Ltd, the directors of the Registered Entity declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 4 to 23, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
  - (a) comply with Australian Accounting Standards; and
  - (b) give a true and fair view of the financial position of the registered entity as at 30 June 2021 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Director  \_\_\_\_\_  
*Anthony Leone Ricciardi*

Dated this 18 day of ~~NOVEMBER~~ 2021  
-PR

## Burnett Mary Regional Group for NRM Ltd

# Independent Audit Report to the members of Burnett Mary Regional Group for NRM Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Burnett Mary Regional Group for NRM Ltd, which comprises the statement of financial position as at 30 June 2021, the , the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion the financial report of Burnett Mary Regional Group for NRM Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Responsibilities of Responsible Entities for the Financial Report

The responsible persons of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

#### Brisbane

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#### Bundaberg

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#### Fraser Coast

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#### Gladstone

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Gladstone Qld 4680  
T (07) 4970 6200



## Burnett Mary Regional Group for NRM Ltd

### Independent Audit Report to the members of Burnett Mary Regional Group for NRM Ltd

In preparing the financial report, the responsible persons are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity'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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' 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.

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## Burnett Mary Regional Group for NRM Ltd

### Independent Audit Report to the members of Burnett Mary Regional Group for NRM Ltd

- 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.

Ulton Chartered Accountants



Bernard Whebell CA  
Partner

20 Main Street, PIALBA, QLD. 4655

Dated this 19th day of November 2021

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