

FNQ NRM LTD

ABN 53 106 385 899

Annual Report 2003-2004

Notice of Annual General Meeting

Financial Statements 2003-2004



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ANNUAL REPORT 2003-2004

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FNQ NRM Ltd Board of Directors

*Back: Troy Wyles-Whelan - Director Indigenous; Ken Atkinson - Director Upper Herbert;
Bill Shannon - Director Industry; Peter Valentine - Director World Heritage;*

*Front: Peter Stanton - Director Conservation; Cr Ray Byrnes - Director Local Government; Cr Mike Berwick
- Chair; Chris Gloor - Director Coastal; Caroline Coppo - Director Catchment and Community*

FNQ NRM Ltd
ABN 53 106 385 899

Company Details

Board of Directors:	MP Berwick (Chair) WKB Shannon (Secretary) RV Byrnes CA Coppo CB Gloor P Stanton T Wyles-Whelan KJ Atkinson (from 21/11/03) PS Valentine (from 7/6/04) CAG Hunt (to 5/1/04)
Company Secretary:	WKB Shannon
Executive Officer:	BK Dorrington (to 16/10/04) (This position is currently vacant due to the untimely passing of Brad Dorrington on 16 October 2004.)
Auditor:	Pickard Associates
Banker:	National Australia Bank
Registered Office:	45 Rankin St Innisfail QLD 4860
Postal Address:	PO Box 1756 Innisfail QLD 4860
Telephone:	(07) 40 616 477
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Website Address:	www.fnqnrm.com.au
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FNQ NRM Ltd
ABN 53 106 385 899

Notice of Annual General Meeting

Notice is hereby given that the inaugural Annual General Meeting (AGM) of Members of FNQ NRM Ltd will be held at the Joseph Banks Ballroom, Matson Resort, The Esplanade, Cairns, on Friday 19 November 2004, commencing at 3.00pm.

The AGM is open to any member of the public however, voting is restricted to Official Members of the Membership Body.

Business

1. To receive, consider and adopt the Directors' Report and Financial Report, for the period from the date of incorporation on 19 September 2003 until 30 June 2004, and the Auditor's Report on the Financial Report.
2. To elect the Standing Independent Selection Panel (SISP). The SISP, once elected, will be responsible for filling any vacancies on the Board of Directors.

Nominations for election to the SISP shall be signed by both an Ordinary Member's delegate and the person nominated and shall be either deposited at the Registered Office of the Company before 5.00pm on Thursday 18 November 2004, or may be received from the floor of the AGM. Nominations should include a brief resume of relevant credentials that will be provided to Ordinary Members at the AGM. A nomination form is provided with this notice.

3. To transact any other business that may be lawfully brought forward.



WKB Shannon
Company Secretary
20 October 2004

Voting Rights and Appointment of Proxies

Membership of the Company is open to any group with a bona fide interest in natural resource management in the Wet Tropics region. Voting rights are restricted to one vote per delegate or proxy nominated by the Ordinary Member as per valid Membership Application and Proxy forms.

To be effective, both Membership Application and Proxy forms must be lodged at the Registered Office of the Company before 5.00pm on Thursday 18 November 2004. Membership Application and Proxy forms are provided with this notice.

Directors' Report

The Members FNQ NRM Ltd

LADIES AND GENTLEMEN

The Directors of FNQ NRM Ltd are pleased to present the Company's inaugural Annual Report in respect of the period from incorporation on 19 September 2003 until 30 June 2004 (including reference to notable matters of the Company post 30 June 2004, to the date of signing).

3.1 Establishment

On the 10 August 2001, a public forum in Cairns initiated discussion on new arrangements to support community involvement in managing natural resources in the Wet Tropics NRM region. This included the establishment of a new integrated regional NRM body. Representatives from over 160 organisations set in train the formation of this new organisation (now FNQ NRM Ltd) via the following resolution:

“This meeting supports the formation of an interim board combining the existing Natural Resource Management Board (Wet Tropics) Inc (NRMB) and the North Queensland Afforestation Association Inc (NQAA). The interim board is to:

- *study results of this forum and report back through a forum in six months;*
- *begin the job of preparing an accredited regional plan; and*
- *go back to all constituents with information on the models for consultation.”*

Following two joint meetings of the Boards of these two organisations, the process to establish the new Regional Body for natural resource management was delegated to a Joint Working Group (JWG) comprising delegates from both organisations as well as Traditional Owner representatives. The JWG was chaired and facilitated by senior officers of the Department of Natural Resources and Mines.

The JWG facilitated an extensive community consultation process that resulted in FNQ NRM Ltd being registered as a public company limited by guarantee on 19 September 2003. This was followed by the selection of a skills-based eight-member Board of Directors who assumed control of the Company on 6 October 2003. The Board subsequently exercised the power to cover any geographical and skills gaps by appointing a further Director, Mr Ken Atkinson, representing the Upper Herbert River catchment. Dr Colin Hunt resigned from the Board on 5 January 2004, due to professional commitments, and was replaced by Assoc Prof Peter Valentine on 7 June 2004.

3.2 Membership Body

Ordinary Membership of FNQ NRM Ltd is open to, and has been invited from, any organisation with a bona-fide interest in natural resource management in the Wet Tropics region. Ordinary Members sit within the Membership Body, a structure that forms the core link between the community and the Board of Directors. The Membership Body will be invited to meet each year for an Annual General Meeting and at three General Meetings to be held across the region. Ordinary Members have voting rights through an authorised delegate or proxy.

An Affiliate Members Program is being developed to cater for other classes of membership. It is envisaged that this program will serve both as an engagement mechanism for the broader community and as a fund-raising vehicle. Incentives are being developed to provide rewarding opportunities for individuals, families, businesses and organisations to participate in NRM programs. Affiliate Members will not have voting rights at General Meetings.

3.3 Constitution

The Directors have devoted significant time to the development of a Constitution for the Company that:

1. Meets the principles and intent of community consultation undertaken prior to the formation of the Company;
2. Serves as an optimal working structure to meet Company objectives and for continuing operations; and
3. Will likely meet the future needs of the Company including funding, broader community engagement and adoption of sustainable NRM.

Copies of the Constitution (adopted on 1 July 2004), are available at the AGM or on request from the Company's office in Innisfail.

3.4 Powers

FNQ NRM Ltd is a public company limited by guarantee formed under the Corporations Act 2001. The Company is not empowered by any other law and as such has no additional statutory authority.

The Company has however been designated as the Regional Body for natural resource management (NRM) in the Wet Tropics NRM region. This designation is recognised in a bilateral agreement between the Australian and Queensland Governments developed under the *Natural Heritage Trust of Australia Act (1997)*. There are some 14 natural resource management regions in Queensland and 57 across Australia.

3.5 Corporate Governance

The Directors are aware of their obligations to the Company and its Members and have undertaken specific training as a Board in this area. The Board has also resolved to develop a Business Plan following completion of the Regional NRM Plan and Regional Investment Strategy. This Business Plan will include a strategy for full utilisation and coordination of the Company's intangible assets such as people, knowledge, skill and reputation.

3.6 Standing Independent Selection Panel

The selection process to establish the current Board of Directors was undertaken by an interim Independent Selection Committee.

The Constitution requires that a Standing Independent Selection Panel (SISP) be established to fill any Board vacancies via a transparent, merit-based selection process. The guidelines and criteria for this selection process, including specific criteria for individual Directorships, are detailed in the Constitution.

The SISP will be elected by the Membership Body at the inaugural Annual General Meeting. Nominations for SISP positions are preferred prior to the meeting, although late nominations will be accepted from the floor.

The Board may also nominate candidates for the SISP and intends to invite members of the interim Independent Selection Committee to be nominated as SISP candidates.

The SISP reports directly to the Membership Body, however its decisions are final and do not require ratification from either the Membership Body or the Board.

3.7 The Natural Heritage Trust

The Natural Heritage Trust (NHT) was established by the Australian Government in 1997, with \$1.5 billion of the NHT funded by a portion of the part sale of Telstra. In 2002, a further \$1.2 billion was committed to extend the NHT until 2008 (NHT 2), with the goals of:

1. **Biodiversity Conservation** - the conservation of Australia's biodiversity through the protection and restoration of terrestrial, freshwater, estuarine and marine ecosystems and habitat for native plants and animals;
2. **Sustainable Use of Natural Resources** - the sustainable use and management of Australia's land, water and marine resources to maintain and improve the productivity and profitability of resource-based industries; and

3. **Community Capacity Building and Institutional Change** - support for individuals, landholders, communities, industry and organisations with skills, knowledge, information and institutional frameworks to increase capacity to implement biodiversity conservation and sustainable resource use and management. Particular reference is made to efforts in the development and implementation of best management practice (BMP) as the principle means of addressing water quality and land-based runoff.

The NHT is administered in Queensland jointly by the Australian and State Governments. Recommendations to relevant Ministers for funding allocations and other matters are made by a Joint Steering Committee (JSC) comprising Australian and State Government representatives.

3.8 Regional NRM Plan

To access funds from the NHT and other major government funding sources, NRM regions must first prepare a regional plan for natural resource management (the Regional NRM Plan). This Regional NRM Plan must then be accredited by the Australian and Queensland Governments. The Plan must address the causes of natural resource degradation and set long, medium and short term targets for improvements.

The Directors acknowledge that much of the preliminary data collection and analysis necessary to prepare the Regional NRM Plan was completed prior to the 19 September 2003. The completion and accreditation of the Regional NRM Plan has been the primary activity of the Company during the period of this Annual Report.

The complete set of core Draft Regional NRM Plan documents comprise:

Series Title: '*Sustaining the Wet Tropics*':

- Volume 1 Background to the Plan
- Volume 2 Condition Reports
 - 2A Biodiversity Conservation
 - 2B Sustainable Use
 - 2C Capacity Building and Institutional Change
(in preparation)
- Volume 3 An Aboriginal Cultural and Natural Resource Management Plan (in preparation)
- Volume 4 Regional Plan for Natural Resource Management
(consultation draft available)
- Volume 5 Regional Investment Strategy - RIS (in preparation)

The Regional NRM Plan has been prepared in partnership with the Company's technical partner, the Cooperative Research Centre for Tropical Rainforest Ecology and Management (the Rainforest CRC). In addition to coordinating technical input into the Regional NRM Plan, the Rainforest CRC has also contributed significantly to the cost of preparation.

On 17 September 2004, *Sustaining the Wet Tropics: A Regional Plan for Natural Resource Management 2004-2008 - Draft* was launched for formal public comment by the Honourable Desley Boyle, Minister for the Environment, Local Government and Planning, Minister for Women of Queensland, and Member for Cairns. The draft Regional NRM Plan has been distributed to over 275 organisations throughout the region, is posted on the Company's website and is on display at more than 50 public viewing points. Submissions have been invited prior to the conclusion of the six-week official consultation period on 29 October 2004. Once finalised the Regional NRM Plan will be presented to the Australian and Queensland Governments for accreditation.

3.9 Community Consultation

During the period of this report the vast majority of the Company's resources have been directed towards community consultation in preparing the draft Regional NRM Plan. The Directors, Plan Team and staff have strived to undertake genuine consultation and ensure maximum opportunities are available for the community to provide input into a complex and time-bound process.

Board Directors are encouraged by the level of community participation and commitment to the process. A particular survey, although a source of criticism, generated an impressive 150 plus written responses.

In addition, during March and April, more than 20 regional public meetings drew over 600 people to discuss the draft Regional NRM Plan, and in particular, the preliminary draft targets. The Board convened three major forums to discuss water quality targets, Local Government issues and industry involvement which were attended collectively by over 200 technical experts, community members, Local Government Councillors and staff, industry representatives and farmers. A series of four dedicated biodiversity workshops and three regional Traditional Owner workshops were also well attended.

3.10 Regional Investment Strategy

As a companion document to the Regional NRM Plan, the Regional Investment Strategy (RIS) will identify all existing investment in the activity areas of the Regional NRM Plan and guide priority investment of the NHT and other funds over a three-year rolling cycle. It is anticipated that the RIS will be developed during the six-week community consultation period of the draft Regional NRM Plan and will accompany the Plan when it is presented for accreditation.

A vision of universal adoption of BMP and hence sustainable use, no further loss of biodiversity and restoration of waterways, wetlands and degraded landscapes and community engagement beginning with schools is evolving.

3.11 Funding Programs

Aside from funds inherited from the Natural Resource Management Board (Wet Tropics) Inc (NRMB), the Company had a single funding source during the period of this Annual Report, namely government funds from the NHT. These funds have been delivered via three programs:

1. **Coordinator & Facilitator (C&F)** - To continue the employment of a network of community-based Natural Resource Facilitators. These 10 facilitators work directly with the community to foster the conservation and sustainable use of natural resources and the conservation of biodiversity. In the period of this report, this network facilitated over 69 education and awareness raising field days and demonstrations involving schools, industry and sector groups, agricultural shows and landholders. In addition, this team assisted directly with approximately 68 projects across 62 community groups and facilitated nine major onground projects (including projects in water use efficiency, riparian and waterway health, pest plant control and Indigenous cultural and natural resource management).

Some planning and other key staff were also employed via this funding source. Total funding received from the Coordinator & Facilitator program as at 30 June 2004 was \$789,284.

An extension of Coordinator & Facilitator funding has been approved to 31 December 2004, with a further extension to be requested should Regional Investment Strategy (RIS) funds be unavailable by this time.

2. **Foundation Funding (FF)** – To establish the Company as a Regional Body for NRM and to complete the Regional NRM Plan and RIS. The total amount of Foundation Funding approved was \$599,865 however, the amount received as at 30 June 2004 totalled \$465,630. The balance has since been received.

Additional funds to maintain core Company operations and complete the Regional NRM Plan and the RIS have been approved as Transitional Funding, pending completion and approval of the RIS.

The Grazing Land Management project (Upper Herbert Catchment) to develop best management practices for managing grazing lands was also funded through this source (approximately \$30,000).

3. **Interim Funding Agreement (IFA)** – In recognition of the delay in on-ground works during the negotiation of a bilateral agreement for NHT 2, the Australian and Queensland Governments announced the IFA as a mechanism to deliver such funds to regions. FNQ NRM Ltd was successful in securing approval of \$753,000 for projects in the Wet Tropics region. This included \$192,000 for pest plant programs, \$173,000 for biodiversity conservation and \$68,000 for soil conservation initiatives.

The Company is also administering an additional amount of \$390,000 of IFA funds, for a cross regional water quality monitoring (data management) project shared with five other regions.

The initial instalment of \$322,797 of IFA funds was invoiced on 17 June 2004 (when it became available), and was received on 29 June 2004. The recipients of these funds, including Local Governments, Catchment and community groups, will implement the projects during 2004–2005.

A fourth program, the National Landcare Program (NLP), which was previously integrated within the NHT, will operate as a separate program during NHT 2. During 2003–2004 funding of \$420,000 was approved from this source for a project that will provide cash incentives of up to \$5,000 for primary producers to adopt more sustainable management practices. The initial instalment of \$105,000 was received early in October 2004, and the project has since commenced with the appointment of a Land Management Facilitator and the formation of a steering committee.

Applications for a further round of NLP were called in July 2004. Company staff have worked with various Local Governments, Landcare, Catchment Management and other community groups to develop individual projects within a composite regional bid of \$360,000, which has been submitted.

3.12 Envirofund Program

Much of the work undertaken by community groups at the local level is resourced from the Envirofund. This is a separate government funding mechanism for the delivery of NHT funds directly to community groups and individuals outside of Regional Bodies such as FNQ NRM Ltd. This program is of high importance to community-based NRM groups, and as such, company staff have devoted substantial time to facilitating the development of Envirofund projects.

A summary of the number of successful projects in the Wet Tropics region and funds secured during the 2003–2004 Financial Year is detailed below:

Round	Date Approved	Number of projects	\$ Value
1	28 November 2003	33	\$ 575,392
2	7 May 2004	26	\$ 464,680
Total	FY 2003–2004	59	\$ 1,040,072

Successful projects in the current round (2004/2005 Round 1) are expected to be announced in November 2004, with the next round (2004/2005 Round 2) opening for applications at the same time. The Australian Government has committed to continuing the Envirofund Program on a similar schedule until at least 2007-2008.

3.13 Financial Performance

As a non-profit entity the Company pays no dividends to shareholders and does not seek to make a profit. However, certain activities may result in surplus funds being accumulated. The amount of surplus funds at 30 June 2004, was \$83,094, after transfers to reserves reflecting Nett Capital Assets Expenditure of \$91,516 (refer below).

The sources of these funds and individual balances at 30 June 2004 were:

1. Funds transferred from the preceding NRM Board (the NRM Board (Wet Tropics) Inc) – Following the settlement of outstanding liabilities, uncommitted funds transferred from the preceding NRM Board were \$61,446; and
2. Management Fees – A management fee averaging 9% is levied on grant funds administered. The unspent portion of management fees as at 30 June 2004 was \$21,648.

As the Company currently has one major cash investor, the Australian Government, there exists a risk of temporary insolvency due to unforeseen delays in grant instalment payments. The Directors have resolved to maintain accumulated surplus funds at a level sufficient to sustain core Company operations for at least three months to minimise this risk. At 30 June 2004, surplus funds marginally exceeded this requirement.

In undertaking activities associated with grants and their administration the Company has accumulated assets such as computers, furniture and other plant and equipment with a depreciated value of \$91,516. The Directors and Auditors have determined that to present an accurate view of the Company's financial position, this amount has been transferred to reserves and recorded as such in the financial statements.

3.14 Financial Outlook

Indicative NHT funding allocations for the next three years have been announced by the Australian and Queensland Governments. The amounts allocated to FNQ NRM Ltd for the Wet Tropics region are as follows:

Year 1	2004 – 2005	\$1.9 M
Year 2	2005 – 2006	\$2.0 M
Year 3	2006 – 2007	\$2.0 M

When the Regional Investment Strategy (RIS) is completed, funding will be approved on a three-year rolling cycle. To balance flexibility and security, and to allow the Company to enter into some long-term contracts, a management guarantee has been applied to indicative allocations by the JSC. This guarantee to fund specific activities identified in the RIS is 100% in Year 1, 70% in Year 2 and 50% in Year 3.

Although these funds cannot flow until the Regional NRM Plan is accredited and the RIS approved, transitional funding for the 2004–2005 Financial Year is available and will be drawn against this indicative allocation to employ Natural Resource Facilitators, complete the Regional NRM Plan and the RIS and also possibly to undertake pre-accreditation investment projects (PIPs) as they are identified.

Further rounds of both Envirofund and NLP are expected to be available during 2004–2005 and beyond however, these are yet to be announced. Other programs such as Water Quality Improvement Plans (WQIP), NHT National Competitive Funding and JSC Strategic Reserve Projects are also expected to be available next year.

Dealing with and integrating the funding programs and mechanisms referred to in this report, which are all sourced from NHT 2, presents a significant challenge for the Company.

Directors acknowledge that the funding required to deliver the Regional NRM Plan is enormous and beyond the resources likely to be made available by government in the term of the Plan. It is therefore necessary to depend on the goodwill of landowners, agencies and the public to work together and integrate their activities.

3.15 Charitable Fund

The Board has resolved to form a charitable fund, the 'Natural Capital Fund', as a vehicle for accessing non-government resources, particularly philanthropic and corporate funding. This entity is in the process of being established and has applied for Deductible Gift Recipient (DGR) status from the Australian Taxation Office.

3.16 Staff

At 30 June 2004, the Company employed a total of 18 staff. As several positions are part-time, this equates to 15.4 full-time equivalents (FTEs). Staff are employed under ongoing, casual, traineeship or contract arrangements, with one position hosted by a third party organisation.

Ten of these positions (8.4 FTEs) are Natural Resource Facilitators that work directly with the community to foster the conservation and sustainable use of natural resources and the conservation of biodiversity. These positions undertake a number of generic coordination and facilitation roles in addition to contributing towards regional outcomes. Natural Resource Facilitators are deployed in a decentralised manner and work across either geographic areas such as catchments, or specific interest groups or industry sectors.

The Natural Resource Facilitators are at the frontline of the Company's community engagement and program delivery and are central to achieving company objectives. An increasing demand for their services has led to a concerted effort to relieve them of administrative and other non core duties, however, government

reporting requirements remain a significant burden. The Board, along with other Regional Bodies, has been successful in advocating for changes to these reporting systems however, much improvement remains to be achieved.

Five positions (4.0 FTEs) are employed in client services including a Client Services Manager and part-time Financial Controller. Of the remaining positions, two are casual. This unit provides administrative and financial services to various clients including Member organisations, Directors, facilitators, staff and the Plan Team as well as dealing with an increasing number of enquiries from the general public. Administrative personnel costs are contained within an overheads allowance of 9%, a ratio that compares very favourably with commercial benchmarks.

As at 30 June 2004, there were three management positions including an Executive Officer, an Operations and Communications Manager and a Programs Manager. A trainee Communications Officer was employed in September 2004.

In addition to Company staff, three positions (2.7 FTEs) were employed in the Plan Team at Rainforest CRC as at 30 June 2004, with costs shared between FNQ NRM Ltd and the Rainforest CRC. As completion of the Regional NRM Plan and the RIS has advanced, consequently demanding a higher peak in activity, this has been increased to four positions (3.7 FTEs). It is anticipated that this number will be reduced to 1.7 FTEs by January 2005 as the process nears completion under a similar cost sharing arrangement.

In addition, specific tasks are undertaken by contractors and consultants on behalf of the Company as required.

3.17 Premises

The Company's Registered Office is located at 45 Rankin Street Innisfail, a location that is geographically central within the region. Further offices are maintained at Atherton, Gordonvale and Tully (established in September 2004). All premises are currently leased or rented on an annual basis.

Staff are also located in the offices of partner organisation's at Ingham, Mt Garnet, Mareeba, Malanda and with the Rainforest CRC at James Cook University, Cairns.

3.18 Rainforest CRC Partnership

The Company has been assisted in preparing the Regional NRM Plan, and in further technical matters, through a partnership with the Rainforest CRC. As a public good research institution, the Rainforest CRC has demonstrated a willingness to align certain research activities with the Company's needs. In addition to providing technical assistance they have also co-invested in the development of the Regional NRM Plan. Provision has been made to continue this partnership into the future.

3.19 Traditional Owners

The arrangements adopted prior to the establishment of FNQ NRM Ltd recognised that the region's Traditional Owners are more than just stakeholders in natural resource management. In addition to being the original custodians of the region, Traditional Owners have a continuing cultural and spiritual connection to country.

A stand alone Aboriginal Natural and Cultural Resource Management Plan (the Aboriginal Plan) is being developed as a supporting document to the Regional NRM Plan. Key elements from the Aboriginal Plan will be integrated into the Regional NRM Plan.

3.20 Education Program

The Board recognises that community education is an important mechanism in achieving sustainable natural resource management and that working with future generations via the education system is possibly one of the most strategic approaches in this area. Environmental education modules for implementation in kindergarten through to grade 12 are being developed in partnership with Education Queensland. The program, entitled "K-12 Ed" is expected to commence in 2005. Non-government schools have been offered the same program services which seek to effectively achieve Education Queensland designated outcomes. Funding from non-NHT sources has been identified and will be provided via the Natural Capital Fund. The Directors have resolved to dedicate proceeds from the Affiliate Membership Program to the K-12 Ed Program in the 2004 -2005 Financial Year.

In addition, Directors are considering the possible linkages with the Great Barrier Reef Marine Park Authority's 'Reef Guardian Program'.

3.21 Insurances

The Company participates in a collective Landcare Group insurance policy with AON Risk Services Australia Ltd, which is administered by the Department of Natural Resources and Mines. This scheme provides three separate policies covering Public and Products Liability, Personal Accident Insurance and Association Liability.

A separate fire and theft policy for buildings' contents is held with Zurich Australia Insurance Ltd.

3.22 Auditor

Pickard Associates have been engaged as the Company's auditor.

3.23 Beyond 2008

The Directors understand that NHT 2 alone is unlikely to provide the investment required to achieve the stated goals of biodiversity conservation, sustainable use, and capacity building and institutional change in the Wet Tropics region. Planning

to continue community-driven natural resource management beyond 2008 requires a strategy to ensure the continuing financial viability of FNQ NRM Ltd. This strategy will seek to leverage both the Company's and the community's dedication, skills, knowledge and organisational capital to attract non-government support via the Natural Capital Fund, Affiliate Membership Program and business partnerships in addition to government investment.

3.24 Acknowledgements

The Directors would like to acknowledge and record their appreciation of the efforts by management, staff and employees of the Company. With specific regards to the Regional NRM Plan, the Directors acknowledge the significant contribution made by the staff, contractors and partner organisations of the Rainforest CRC.

The Directors also wish to acknowledge the various organisations and individuals within the Wet Tropics community and record their appreciation for the genuine interest and participation in the NRM planning process to date.

Particular acknowledgement is paid to the late Brad Dorrington who provided outstanding leadership and example since the Company's incorporation until his untimely death on 16 October 2004.

3.25 Statutory Information

In accordance with the provisions of the Corporations Law, the Directors' report on the following matters:

1. The names of the Directors in office at the date of this Annual Report and particulars of their qualifications, experience and special responsibilities are provided as follows:

Cr Mike Berwick – Chair

Mike Berwick is the current Mayor of Douglas Shire Council and well known for his advocacy and actions to promote sustainable development in the Shire. He is a former or current Chair of a wide range of local, State and National land management groups, including the Daintree Planning Coordination Group, the Local Authority Waste Management Advisory Group, the North Queensland Afforestation Association, the Coastal CRC National Stakeholder Advisory Committee, the Australian Tropical Forestry Institute and was deputy Chair of the Rainforest CRC. Mike is a member of the National Sea Change Taskforce to tackle issues of population growth in coastal areas and a member of the Queensland Vegetation Advisory Committee and the Sugar Industry Guidance Group. He is also the author of the National Local Government Biodiversity Strategy.

Mike's ambition is to build a coalition between all stakeholders which guarantees diversity and productivity in the Wet Tropics region.

Bill Shannon - Director Industry

In addition to being a Director Bill Shannon is the Company Secretary of FNQ NRM Ltd. He is a Chartered Accountant and also Company Secretary of Tully Sugar Ltd. He also has a beef and cane farming enterprise near Tully. At a local level, he is Chairman of the Mission Beach Marine Advisory Committee and the South Mission and Wongaling Beaches Community Association.

Bill's goal is to ensure that the NRM planning process continues to be mainstream, rather than primarily the domain of motivated individuals.

Cr Ray Byrnes - Director Local Government

Ray Byrnes from Yungaburra is currently Mayor of Eacham Shire and brings to the Board a strong NRM background, with nearly 40 years service in DPI working in extension, research and senior management positions followed by six years as a Landcare coordinator. He remains an active member of numerous Landcare and Catchment Associations on the Tablelands and is the Local Government representative of the Wet Tropics Regional Vegetation Management Committee. He was recently appointed to the Atherton Tablelands Sustainable Regions Advisory Committee.

Ray is keen to ensure that the NRM process gets the balance right in determining Natural Resource Management priorities for the Wet Tropics region.

Caroline Coppo - Director Catchment and Community

Caroline Coppo is a scientist and educator from Ingham. She has worked with the Reef Monitoring Team at the Australian Institute of Marine Science and for the Great Barrier Reef Marine Park Authority (GBRMPA) in the Water Quality and Coastal Development Unit and the Environmental Management Unit. She is currently Coordinator of the Herbert River Catchment Group Inc. and is a co-manager of a cane farming business.

Caroline says as an educator, she is keen to see a greater understanding of the Wet Tropics environment and it's importance to all sectors of the community.

Chris Gloor - Director Coastal and Marine

Chris Gloor is a marine adventure travel operator and International Company Director based in Cairns and the Bloomfield River. He is a former CEO of the Australian Rainforest Foundation and executive member of numerous marine and terrestrial advisory panels and organisations in the far north and overseas. Chris has been active in environmental issues for most of his adult life and says he is passionate about broadening the way we think about natural resource management.

Chris says the emphasis on community, biodiversity and sustainability will yield new jobs and economic opportunities and a healthier place to raise our children.

Peter Stanton - Director Conservation

Peter Stanton is a forester who spent 14 years with the Queensland Forestry Department, before moving into Parks & Wildlife, where he rose to the position of Regional Director for the Far Northern Region and Senior Principal Conservation Officer with the Department of the Environment. He left the public service in 1997 and since that time has, among other work, been mapping the vegetation and geology of the Wet Tropics Bioregion for the Wet Tropics Management Authority.

Peter says he is involved because of his deep and long standing interest in the presentation of the region's natural values and the belief that this can only be achieved in partnership with productive and sustainable land use. He would like to be a part of insuring that maximum value towards these ends can be attained from NHT funding.

Troy Wyles-Whelan - Director Indigenous

Troy Wyles-Whelan is a traditional owner from the Hinchinbrook area. He has worked both in North Queensland and in Melbourne for the Australian Tax Office and in sales and marketing for a range of companies. He is currently a Board member of the Giringun Aboriginal Corporation and was a member of the Hinchinbrook Shire Council Cultural Development Committee.

Troy's goal is to try and make Government and legislation more responsive to the needs of land owners and managers.

Ken Atkinson - Director Upper Herbert

Ken Atkinson is a beef producer and aerial mustering operator from the Mt Garnet area. He is also the current Treasurer of the Mt Garnet District Landcare Group Inc, Director of the North Queensland Saleyards Company and a member of the Herberton Shire Council Community Advisory Panel. Ken is also Fire Warden and First Officer of Anthill Rural Fire Brigade and a member of the Burdekin Basin Water Resource Planning Community Reference Panel.

Ken says that change won't happen overnight but if we can get the basics right, then we're making a start. We all realise that NHT won't be enough to solve all our land problems, but if we as a board can get good, sensible programs in place, then we'll have made a start that future generations can build on.

Peter Valentine - Director World Heritage

Peter is Associate Professor in the School of Tropical Environment Studies and Geography at James Cook University and has a long association with regional, national and international conservation and natural resource management bodies. He is a member of the IUCN World Commission on Protected Areas and technical adviser on World Heritage for UNESCO, IUCN and for various governments. His teaching and research include both resource management and the links between tourism and the environment. He is an acknowledged expert on Australian tropical butterflies.

Professor Valentine says he is excited by the potential of the NRM process to achieve meaningful and sustainable outcomes for the Wet Tropics region.

2. The number of meetings of the Board of Directors held between 19 September 2003 and 30 June 2004 was 12. The attendance at meetings is as follows:

	Meetings held while a Director	Meetings attended
Cr Mike Berwick	12	11
Bill Shannon	12	11
Cr Ray Byrnes	12	11
Caroline Coppo	12	11
Chris Gloor	12	10
Dr Colin Hunt (to 5/1/04)	5	4
Peter Stanton	12	9
Troy Wyles-Whelan	12	6
Ken Atkinson (from 21/11/03)	10	10
Assoc Prof Peter Valentine (from 7/6/04)	1	1

3. The total of Directors' attendance fees paid by the Company, or due and receivable, for the period 19 September 2003 to 30 June 2004 was \$61,550 exclusive of superannuation and mileage allowance. The number of Directors of the Company whose total income received, or due and receivable, fall within the following bands:

Below	-	\$10,000	-	8 Directors
\$10,001	-	\$20,000	-	2 Directors

4. The principal activity of the Company between incorporation on 19 September 2003 and 30 June 2004 was the establishment of the Company and the development of the Regional NRM Plan for the Wet Tropics NRM region.

5. The Company recorded a surplus of \$174,610 from ordinary activities before a transfer to reserves of \$91,516 to give a retained surplus of \$83,094.
6. The Company has non-profit objectives and as such no dividends are payable.
7. There were no significant changes in the state of affairs of the Company between incorporation on 19 September 2003 and 30 June 2004.
8. There is no matter or circumstance that has arisen since 30 June 2004 that has significantly affected, or may significantly affect:
 - The operations of the Company;
 - The results of those operations; or
 - The state of affairs of the Company in subsequent financial years.
9. Information as to likely developments in the operations of the Company, including the expected results of those operations in subsequent financial years, would in the opinion of the Directors, prejudice the interests of the Company and therefore has not been included in this Annual Report.
10. Since incorporation on 19 September 2003, no Director of the Company has received or become entitled to receive a benefit (other than the benefits included in the aggregate amounts of emoluments received and superannuation contributions made by the Company as shown in the accounts) by reason of a contract made by the Company with the Director or with a firm of which he is a member or with a company with which he has a substantial financial interest, except:

Peter Stanton has been under contract to the Wet Tropics Management Authority (WTMA) since 1997 to undertake vegetation mapping of the Wet Tropics Bioregion. Funds to allow work to continue during the final stages of this project were provided to WTMA subsequent to a Board decision, in which Peter Stanton took no part. This transaction was at arms length and on normal commercial terms that were no more favourable than those which applied to other contractors.

Signed 20th day of October 2004 in accordance with a resolution of the Board of Directors.



Cr MP Berwick
Chairman of Directors




WKB Shannon
Director / Secretary

Directors' Declaration

The Directors of the Company declare that the Financial Statements and Notes of the Company are in accordance with the Corporations Act 2001, and that:

1. The Financial Statements and Notes, presents fairly the Company's Financial Position as at 30 June 2004 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the Financial Statements.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. All grant funds received were spent in accordance with the provisions of the respective grant Activity Agreements.

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



Cr MP Berwick
Chairman of Directors



WKB Shannon
Director / Secretary

Dated this 20th day of October 2004.

The accompanying notes form part of these financial statements.

FNQ NRM LTD**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD FROM INCORPORATION ON
19 SEPTEMBER 2003 TO 30TH JUNE 2004**

	Note	2004 \$
CLASSIFICATION OF EXPENSES BY NATURE		
Revenues from ordinary activities	2	1,711,510
Employee benefits expense		(399,016)
Depreciation and amortisation expenses	3	(4,620)
Borrowing costs expense	3	-
Other expenses from ordinary activities		(1,133,264)
		<hr/>
Surplus from operating activities	3	174,610
		<hr/> <hr/>

The accompanying notes form part of these financial statements.

FNQ NRM LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2004

	Note	2004 \$
CURRENT ASSETS		
Cash assets	6	591,603
Receivables	7	5,500
TOTAL CURRENT ASSETS		597,103
NON-CURRENT ASSETS		
Property, plant and equipment	8	91,516
TOTAL NON-CURRENT ASSETS		91,516
TOTAL ASSETS		688,619
CURRENT LIABILITIES		
Payables	9	514,009
TOTAL CURRENT LIABILITIES		514,009
TOTAL LIABILITIES		514,009
NET ASSETS		174,610
EQUITY		
Reserves	5	91,516
Retained surplus	4	83,094
TOTAL EQUITY		174,610

The accompanying notes form part of these financial statements.

FNQ NRM LTD
**STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM INCORPORATION ON
19TH SEPTEMBER 2003 TO 30TH JUNE 2004**

	Note	2004 \$
Cash Flows From Operating Activities		
Receipts		1,696,919
Interest Received		9,091
Payment to Suppliers & Employees		(1,018,271)
		<hr/>
Net cash provided by (used in) operating activities		687,739
		<hr/>
Cash Flows from Investing Activities		
Payment for Property, Plant & Equipment		(96,136)
		<hr/>
Net cash provided by (used in) investing activities		(96,136)
		<hr/>
Net increase (decrease) in cash held		591,603
		<hr/>

The accompanying notes form part of these financial statements.

FNQ NRM LTD
**STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM INCORPORATION ON
19TH SEPTEMBER 2003 TO 30TH JUNE 2004**

	Note	2004 \$
Notes to the Statement of Cash Flows		
Reconciliation of Cash		
Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Petty Cash - FNQ		741
National Bank Cheque Account		356,852
National - Term Deposit		234,010
		<hr/> 591,603 <hr/>
Reconciliation of Net Cash provided by Operating Activities to surplus from ordinary activities		
Operating surplus (loss)		174,610
Non-cash flows in Surplus(Loss) from Ordinary Activities:		
Depreciation		4,620
Changes in Assets and Liabilities:		
Decrease (Increase) in Current Receivables		(5,500)
Increase (Decrease) in Sundry Creditors		53,556
Increase (Decrease) in Trade Creditors		127,081
Increase (Decrease) in Other Creditors		16,688
Increase (Decrease) in Current Provisions		22,701
Increase (Decrease) in Unexpended Grant Monies		293,983
Cash flows from operations		<hr/> 687,739 <hr/>

The accompanying notes form part of these financial statements.

FNQ NRM LTD
A.B.N. 53 106 385 899

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report is for the entity FNQ NRM Ltd as an individual entity. FNQ NRM Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

Income Tax

The company is exempt from income tax under Div 50 Section 50-40 as it is established for the purpose of promoting and developing agricultural resources. No tax liability is recognised in the accounts.

Property, Plant and Equipment

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

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the company to have an independent valuation every three years, with annual appraisals being made by the directors.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

The accompanying notes form part of these financial statements.

FNQ NRM LTD
A.B.N. 53 106 385 899

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

Plant and Equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge.

The useful life for each class of depreciable asset are:

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Employee Benefits

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

The accompanying notes form part of these financial statements.

FNQ NRM LTD
A.B.N. 53 106 385 899

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

Cash

For purposes of the statement of cash flows, cash includes deposits at call with financial institutions and other highly liquid investments with maturity within less than 3 months which are readily convertible to cash on hand at the investor's opinion and are subject to an insignificant risk of changes in value, and borrowings which are integral to the cash management function and which are not subject to a term facility.

Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the assets or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The entity's management are assessing the significance of these changes and preparing for their implementation.

The accompanying notes form part of these financial statements.

FNQ NRM LTD
A.B.N. 53 106 385 899

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

	2004 \$
<hr/>	
2 Revenue	
Operating activities	
Interest	9,091
Rendering of services	1,689,678
Other revenue	12,741
	1,711,510
Interest from:	
Interest received	9,091
	1,720,601
3 Surplus from Ordinary Activities	
Surplus from ordinary activities after:	
Expenses:	
Depreciation of property, plant and equipment	4,620
Rental expense on operating leases	
Leasing Charges	11,351
	11,351
4 Retained Surplus	
Retained surplus (accumulated losses) at the beginning of the financial year	-
Net surplus attributable to members of the company	174,610
Transfer To Reserves	(91,516)
	83,094
Retained surplus(accumulated losses) at the end of the financial year	83,094
5 Reserves	
Capital Maintenance Reserve	91,516
6 Cash Assets	
Petty Cash - FNQ	741
National Bank Cheque Account	356,852
National - Term Deposit	234,010
	591,603

The accompanying notes form part of these financial statements.

FNQ NRM LTD
A.B.N. 53 106 385 899

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

	2004 \$																								
7 Receivables																									
CURRENT																									
Trade Debtors	5,500																								
8 Property, Plant and Equipment																									
Land and Buildings																									
Plant & Equipment	85,903																								
Less: Accumulated Depreciation	4,348																								
	81,555																								
Furniture & Fittings	10,233																								
Less: Accumulated Depreciation	272																								
	9,961																								
	91,516																								
Total Plant and Equipment																									
Movement 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																									
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;"></th> <th style="text-align: center;">Freehold Land \$</th> <th style="text-align: center;">Buildings \$</th> <th style="text-align: center;">Leased Plant & Equipment \$</th> <th style="text-align: center;">Plant and Equipment \$</th> <th style="text-align: center;">Total \$</th> </tr> </thead> <tbody> <tr> <td>Additions</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">96135</td> <td style="text-align: center;">-</td> <td style="text-align: center;">96135</td> </tr> <tr> <td>Depreciation expense</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">(4619)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">(4619)</td> </tr> <tr> <td>Carrying amount at the end of year</td> <td style="text-align: center; border-top: 1px solid black;">-</td> <td style="text-align: center; border-top: 1px solid black;">-</td> <td style="text-align: center; border-top: 1px solid black;">91516</td> <td style="text-align: center; border-top: 1px solid black;">-</td> <td style="text-align: center; border-top: 1px solid black;">91516</td> </tr> </tbody> </table>		Freehold Land \$	Buildings \$	Leased Plant & Equipment \$	Plant and Equipment \$	Total \$	Additions	-	-	96135	-	96135	Depreciation expense	-	-	(4619)	-	(4619)	Carrying amount at the end of year	-	-	91516	-	91516
	Freehold Land \$	Buildings \$	Leased Plant & Equipment \$	Plant and Equipment \$	Total \$																				
Additions	-	-	96135	-	96135																				
Depreciation expense	-	-	(4619)	-	(4619)																				
Carrying amount at the end of year	-	-	91516	-	91516																				
9 Payables																									
CURRENT																									
Staff Entitlements	53,556																								
Trade Creditors	127,081																								
PAYG W/H Creditor	16,688																								
Unexpended Grant Money	293,983																								
Input Tax Credits	(57,469)																								
GST Payable	80,170																								
	22,701																								
	514,009																								

The accompanying notes form part of these financial statements.

FNQ NRM LTD
A.B.N. 53 106 385 899

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

2004
\$

10 Remuneration and Retirement Benefits

Remuneration of Directors

Remuneration received or receivable by
all directors of the company:

From the company/related party in connection
with the management of the company 68,669

The names of directors who have held
office during the financial year are:

Mike Berwick
Bill Shannon
Peter Stanton
Ray Byrnes
Caroline Coppo
Troy Wyles-Whelan
Colin Hunt
Chris Gloor

Retirement benefits:

Amounts paid to a superannuation plan
for the provision of retirement
benefits by:

The company or any related party for
directors of the company 7,925

11 Segment Reporting

FNQ NRM Limited does not operate in any other
segment which requires separate disclosure.

The accompanying notes form part of these financial statements.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
FNQ NRM LTD
A.B.N. 53 106 385 899**

Scope

The Financial Report and Directors' Responsibility.

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration for FNQ NRM Ltd for the year ended 30th June 2004.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Company's Constitution. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Company's Constitution, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and

assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

The accompanying notes form part of these financial statements.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of FNQ NRM Ltd as at 30th June 2004, and the results of its operations and cash flows for the year then ended.

Pickard Associates



John Zabala
Partner
62 Walker Street
Townsville 4810

Dated this 21ST October 2004

The accompanying notes form part of these financial statements.

FNQ NRM LTD
**ITEMISED INCOME AND EXPENDITURE STATEMENT
FOR THE PERIOD FROM INCORPORATION ON
19TH SEPTEMBER 2003 TO 30TH JUNE 2004**

	2004
	\$
INCOME	
Grants	1,548,012
Contribution from Projects	80,220
Discretionary Income, transfer from previous NRM Board	61,446
Interest received	9,091
Sundry income	12,741
	<hr/> 1,711,510 <hr/>
EXPENDITURE	
Accountancy Fees	7,896
Administration Costs	85,601
Advertising	10,541
Bank charges	671
Catering	21,416
Consumables	7,268
Consultancy fees	392,717
Computer Expenses	12,064
Depreciation	4,620
Directors' Milage	7,119
Directors' Payments	61,551
Directors' Superannuation	7,926
Electricity	2,737
Fringe Benefits Tax	1,281
Fuel & Oil	12,105
Hire of plant & equipment	38,772
Insurance	651
Leasing Charges	11,351
Legal costs	2,856
Permits, licences & fees	2,001
Postage	5,482
Printing & stationery	46,904
Rent	19,263
Repairs & maintenance	9,988
Staff Training & Welfare	9,931
Subscriptions	1,591
Superannuation contributions	33,305
Telephone	12,768
Travelling expenses	55,860
Wages	355,780
Workers Compensation	901
Unexpended Grant Money	293,983
	<hr/> 1,536,900 <hr/>
Surplus (Loss) from ordinary activities before transfers to reserves	<hr/> 174,610
Transfer to Reserves	(91,516)
Surplus (Loss) from ordinary activities	<hr/> 83,094 <hr/>

The accompanying notes form part of these financial statements.

NOTES