



# TERRAIN

NATURAL RESOURCE MANAGEMENT

**FNQ NRM Ltd**

Trading As

**Terrain NRM**

ABN 53 106 385 899

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**FNQ NRM LTD TRADING AS TERRAIN NRM**  
**ABN 53 106 385 899**

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**FNQ NRM LTD TRADING AS TERRAIN NRM**  
**ABN 53 106 385 899**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2022**

|  | Notes | 2022<br>\$              | 2021<br>\$      |
|--|-------|-------------------------|-----------------|
| Revenue and other income                       | 3     | <u>12,785,781</u>       | 14,532,317      |
|  |       | <b>12,785,781</b>       | 14,532,317      |
| <b>Expenses</b>                                |       |                         |                 |
| Consultancy expenses                           |       | 74,812                  | 1,330,481       |
| Depreciation – right-of-use asset              |       | 161,975                 | 161,975         |
| Employee benefits expense – salaries and wages |       | 5,001,366               | 3,877,010       |
| Employee benefits expense – superannuation     |       | 452,034                 | 342,499         |
| Finance costs – interest on lease liabilities  |       | 23,370                  | 30,190          |
| Grants to landowners                           |       | 253,899                 | 43,319          |
| Onground grants and contracts                  |       | 5,221,979               | 5,370,602       |
| Short term and low value lease expense         |       | 33,016                  | 123,526         |
| Technical support                              |       | 249,389                 | 1,776,203       |
| Technical support – projects                   |       | 522,856                 | 530,014         |
| Other expenses                                 |       | <u>936,116</u>          | 966,121         |
|  |       | <b>12,930,813</b>       | 14,551,940      |
| <b>Net (deficit)/surplus before tax</b>        |       | <b>(145,032)</b>        | (19,623)        |
| Income tax expense                             | 2(b)  | <u>-</u>                | -               |
| <b>Net (deficit)/surplus after tax</b>         |       | <b>(145,032)</b>        | (19,623)        |
| Other comprehensive income                     |       | <u>-</u>                | -               |
| <b>Total comprehensive income</b>              |       | <b><u>(145,032)</u></b> | <b>(19,623)</b> |

The accompanying notes form part of these financial statements.

**FNQ NRM LTD TRADING AS TERRAIN NRM**  
**ABN 53 106 385 899**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

|                                      | Notes | 2022<br>\$       | 2021<br>\$       |
|--------------------------------------|-------|------------------|------------------|
| <b>CURRENT ASSETS</b>                |       |                  |                  |
| Cash and cash equivalents            | 4     | 6,282,591        | 6,903,726        |
| Trade and other receivables          | 5     | 2,610,196        | 1,500,903        |
| Other assets                         |       | 15,000           | 32,115           |
| Prepayments                          |       | 58,463           | 35,649           |
| <b>TOTAL CURRENT ASSETS</b>          |       | <b>8,966,251</b> | <b>8,472,393</b> |
| <b>NON-CURRENT ASSETS</b>            |       |                  |                  |
| Property, plant, and equipment       |       | 16,600           | -                |
| Right-of-use asset                   | 6     | 468,877          | 566,661          |
| <b>TOTAL NON-CURRENT ASSETS</b>      |       | <b>485,477</b>   | <b>566,661</b>   |
| <b>TOTAL ASSETS</b>                  |       | <b>9,451,728</b> | <b>9,039,054</b> |
| <b>CURRENT LIABILITIES</b>           |       |                  |                  |
| Trade and other payables             | 7     | 1,174,731        | 563,462          |
| Lease liabilities                    | 8     | 212,357          | 167,871          |
| Employee entitlements                | 9     | 551,583          | 550,463          |
| <b>TOTAL CURRENT LIABILITIES</b>     |       | <b>1,938,670</b> | <b>1,281,796</b> |
| <b>NON-CURRENT LIABILITIES</b>       |       |                  |                  |
| Lease liabilities                    | 8     | 333,094          | 480,503          |
| Employee entitlements                | 9     | 203,320          | 155,080          |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |       | <b>536,414</b>   | <b>635,583</b>   |
| <b>TOTAL LIABILITIES</b>             |       | <b>2,475,085</b> | <b>1,917,379</b> |
| <b>NET ASSETS</b>                    |       | <b>6,976,643</b> | <b>7,121,675</b> |
| <b>EQUITY</b>                        |       |                  |                  |
| Reserves                             | 10    | 3,639,405        | -                |
| Retained surplus                     |       | 3,337,238        | 7,121,675        |
| <b>TOTAL EQUITY</b>                  |       | <b>6,976,643</b> | <b>7,121,675</b> |

The accompanying notes form part of these financial statements.

**FNQ NRM LTD TRADING AS TERRAIN NRM**  
**ABN 53 106 385 899**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2022**

|  | Notes | Reserves<br>\$   | Retained Surplus<br>\$ | Total<br>\$      |
|--|-------|------------------|------------------------|------------------|
| <b>Balance at 1 July 2020</b>                  |       | <b>1,093,426</b> | <b>6,047,872</b>       | <b>7,141,298</b> |
| <i>Total comprehensive income for the year</i> |       |                  |                        |                  |
| Surplus/(deficit) for the year                 |       | -                | (19,623)               | (19,623)         |
| Other comprehensive income                     |       | -                | -                      | -                |
| Total comprehensive income for the year        |       | -                | (19,623)               | (19,623)         |
| Transfers to/(from) reserves                   | 10    | (1,093,426)      | 1,093,426              | -                |
| <b>Balance at 30 June 2021</b>                 |       | <b>-</b>         | <b>7,121,675</b>       | <b>7,121,675</b> |
| <i>Total comprehensive income for the year</i> |       |                  |                        |                  |
| Surplus/(deficit) for the year                 |       | -                | (145,032)              | (145,032)        |
| Other comprehensive income                     |       | -                | -                      | -                |
| Total comprehensive income for the year        |       | -                | (145,032)              | (145,032)        |
| Transfers to/(from) reserves                   |       | 3,639,405        | (3,639,405)            | -                |
| <b>Balance at 30 June 2022</b>                 |       | <b>3,639,405</b> | <b>3,337,238</b>       | <b>6,976,643</b> |

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

|  | 2022<br>\$          | 2021<br>\$   |
|--|---------------------|--------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>             |                     |              |
| Receipts from customers, funding bodies, and donors    | <b>12,840,545</b>   | 14,473,929   |
| Payments to suppliers                                  | <b>(13,286,549)</b> | (15,563,007) |
| Interest received                                      | <b>8,584</b>        | 33,358       |
| Net cash flows from/(used in) operating activities     | <b>(437,420)</b>    | (1,055,720)  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>            |                     |              |
| Payments for purchase of property, plant and equipment | <b>(16,600)</b>     | -            |
| Net cash flows from/(used in) investing activities     | <b>(16,600)</b>     | -            |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>             |                     |              |
| New leases recognised                                  | <b>128,013</b>      | -            |
| Payment of leases                                      | <b>(271,758)</b>    | (126,141)    |
| Interest portion of lease payments                     | <b>(23,370)</b>     | (30,190)     |
| Net cash flows from/(used in) financing activities     | <b>(167,115)</b>    | (156,331)    |
| Net increase/(decrease) in cash held                   | <b>(621,135)</b>    | (1,212,051)  |
| Cash at beginning of financial year                    | <b>6,903,726</b>    | 8,115,777    |
| Cash at end of financial year                          | <b>4 6,282,591</b>  | 6,903,726    |

The accompanying notes form part of these financial statements.

**FNQ NRM LTD TRADING AS TERRAIN NRM**  
**ABN 53 106 385 899**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**NOTE 1: GENERAL INFORMATION**

The financial statements cover FNQ NRM Ltd (trading as Terrain NRM) (the “Company”) as an individual entity. The Company is a not-for-profit entity, registered and domiciled in Australia. The Company’s registered office is at 2 Stitt Street, Mighell, Queensland.

The Company is an unlisted public company, limited by guarantee.

The principal activity of the Company for the year ended 30 June 2022 was the delivery of the National Landcare Program and the Reef Trust Program which aims to improve the water quality of the Great Barrier Reef by enabling land holders to change practices in cane, grazing, dairy, horticulture, bananas, grains and cropping.

The financial statements were authorised for issue, in accordance with a resolution of directors, on the date of signing of the Director’s Declaration. The directors have the power to amend and reissue the financial statements.

Comparative information is consistent with prior year, unless otherwise stated.

These financial statements are presented in Australian dollars, which is the Company’s functional and presentation currency.

**NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of Preparation**

The financial statements are general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and Interpretations issued by the Australian Accounting Standards Board (“AASB”), the *Australian Charities and Not-for-profits Commission Act 2012* as appropriate for not-for-profit oriented entities.

The financial statements have been prepared on a historical cost basis. The concept of accruals accounting has been adopted in preparation of the financial statements.

**(a) New or Amended Accounting Standards and Interpretations Adopted**

The Company has adopted all the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**(b) Income Tax**

The Company has been granted exemption from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

**(c) Critical Accounting Estimates and Judgments**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company’s accounting policies. Further information on critical estimates can be found regarding Revenue recognition – Note 3, and Employee entitlements – Note 9.

**(d) Goods and Services Tax (“GST”)**

Revenues, expenses, and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (“ATO”). In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. 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 tax authority is included in other receivables or other 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.

**(e) Economic Dependence**

FNQ NRM Ltd is dependent on the Australian Commonwealth and State Governments for the majority of its revenue used to operate the business. At the date of this report, the directors have no reason to believe the Australian Commonwealth and State Governments will not continue to support the Company, as funding agreements have been signed and executed.

**FNQ NRM LTD TRADING AS TERRAIN NRM**  
**ABN 53 106 385 899**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

|   |      | 2022              | 2021              |
|---|------|-------------------|-------------------|
|   |      | \$                | \$                |
| <b>NOTE 3: REVENUE AND OTHER INCOME</b> |      |                   |                   |
| Project income                          | 3(a) | 12,638,898        | 13,475,649        |
| Interest received                       |      | 8,584             | 33,358            |
| Membership income                       |      | 55,000            | 75,200            |
| Miscellaneous income and donations      |      | 83,298            | 481,110           |
| Government subsidies – COVID-19         |      | -                 | 467,000           |
|   |      | <b>12,785,781</b> | <b>14,532,317</b> |

**NOTE 3(a): TIMING OF RECOGNITION OF REVENUE**

|                                   |  |                   |                   |
|-----------------------------------|--|-------------------|-------------------|
| Recognised on receipt (AASB 1058) |  | 6,720,581         | 10,526,236        |
| Recognised over time (AASB 15)    |  | 5,918,317         | 2,949,413         |
|                                   |  | <b>12,638,898</b> | <b>13,475,649</b> |

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer.

*Project income*

Project income (grants) is recognised under AASB 15 for not-profit-entities when a contract includes enforceable rights and obligations as well as whether a contract includes deliverables which are sufficiently specific. For a contract to include enforceable rights and obligations, the customer (relevant funding department) has the final authority over the use of the money, and whether it is required to be repaid, or approved for alternative use. A contract is considered sufficiently specific when the deliverables are clearly specified within the agreement. Where funds are received in advance of the services being provided, these funds are recognised as a contract liability on receipt, and revenue is recorded over time as performance obligations are met. Where the funds are received after the services have been provided, a contract asset is recorded, and the revenue is recognised as the performance obligations are met. Performance obligations are based on measurable services defined in the contract, and revenue is recognised as the service is provided using the output method. The project income earned during the financial year is all for the purpose of restoring and protecting the nationally significant coastal ecosystems of North Queensland. Payment is on invoice basis which may be at a point after the services are provided.

Where these conditions are not met, grant income has been recognised at a point in time (on receipt) in accordance with AASB 1058.

*Interest*

Interest income is recognised using the effective interest method.

*Membership income*

Membership income is recognised on a straight-line basis over the period of membership.

*Miscellaneous income and donations*

Income is recognised upon receipt.

*Government subsidies*

Income from the Australian Government in relation to the JobKeeper and Cash Flow Boost schemes to support businesses through the COVID-19 pandemic have been classified as government subsidies. Income is recognised when the right to receive the payment is established.

**FNQ NRM LTD TRADING AS TERRAIN NRM**  
**ABN 53 106 385 899**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

|   | <b>2022</b>      | <b>2021</b>      |
|---|------------------|------------------|
|   | <b>\$</b>        | <b>\$</b>        |
| <b>NOTE 4: CASH AND CASH EQUIVALENTS</b>  |                  |                  |
| CURRENT                                   |                  |                  |
| Cash on hand                              | -                | 500              |
| Cash at bank                              | <b>6,282,591</b> | 6,470,798        |
| Deposits held with financial institutions | -                | 432,428          |
|   | <b>6,282,591</b> | <b>6,903,726</b> |

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

\$1,686,394 (2021: \$2,585,287) of the above balance represents funds that are committed to projects at the end of the reporting period, being grant funds received in advance that have not yet been fully spent. These are amounts that are required to be fully spent in accordance with their grant agreement or repaid if not spent.

**NOTE 5: TRADE AND OTHER RECEIVABLES**

|                           |                  |                  |
|---------------------------|------------------|------------------|
| CURRENT                   |                  |                  |
| Trade receivables         | <b>40,919</b>    | 108,963          |
| Related party receivables | -                | 50,000           |
| Contract assets           | <b>2,569,277</b> | 1,341,940        |
|                           | <b>2,610,196</b> | <b>1,500,903</b> |

Trade receivables are recognised at the original transaction price less an allowance for impairment and have repayment terms between 30 and 90 days. Collectability of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off.

Related party loans are unsecured, on an arm's length basis and interest free.

Contract assets represent project income that the entity is entitled to at the end of the reporting period where sufficiently specific performance obligations have been met but the customer has not yet been invoiced.

**NOTE 6: RIGHT-OF-USE ASSET**

NON-CURRENT

*Property Lease*

|                               |                  |           |
|-------------------------------|------------------|-----------|
| At cost                       | <b>1,180,654</b> | 1,180,654 |
| Less accumulated amortisation | <b>(775,967)</b> | (613,993) |
|                               | <b>404,684</b>   | 566,661   |

*Vehicle Lease*

|                               |                 |   |
|-------------------------------|-----------------|---|
| At Cost                       | <b>128,013</b>  | - |
| Less accumulated amortisation | <b>(63,822)</b> | - |
|                               | <b>64,190</b>   | - |

|  |                |                |
|--|----------------|----------------|
|  | <b>468,877</b> | <b>566,661</b> |
|--|----------------|----------------|



**FNQ NRM LTD TRADING AS TERRAIN NRM**  
**ABN 53 106 385 899**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

|  | 2022 | 2021 |
|--|------|------|
|  | \$   | \$   |

**NOTE 6: RIGHT-OF-USE ASSETS (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

|                            | Property Lease | Vehicle Lease | Total     |
|----------------------------|----------------|---------------|-----------|
| Balance as at 1 July 2021  | 566,661        | -             | 566,661   |
| Additions                  | -              | 128,013       | 128,013   |
| Disposals                  | -              | -             | -         |
| Amortisation Expense       | (161,974)      | (63,822)      | (255,796) |
| Balance as at 30 June 2022 | 404,687        | 64,190        | 468,877   |

The entity leases land and buildings for its office locations in Cairns and Innisfail, with lease terms (including options) of six to eight years. The entity also leases motor vehicles for company use, with a lease term of 3 years. Right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

Lease payments for short-term leases with terms of 12 months or less and leases of low-value assets are expensed to profit or loss as incurred.

**NOTE 7: TRADE AND OTHER PAYABLES**

CURRENT

|                          |           |         |
|--------------------------|-----------|---------|
| Trade and other payables | 279,832   | 269,734 |
| GST payable              | 71,137    | 2,729   |
| Accrued expenses         | 705,909   | 144,994 |
| PAYG withholding         | 117,206   | 126,631 |
| Superannuation payable   | 104       | 15,884  |
| Other payables           | 543       | 3,490   |
|                          | 1,174,731 | 563,462 |

Trade payables are initially measured at fair values, and are subsequently measured at amortised cost, using the effective interest rate method.

**FNQ NRM LTD TRADING AS TERRAIN NRM**  
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**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2022

|   | 2022    | 2021    |
|---|---------|---------|
|   | \$      | \$      |
| <b>NOTE 8: LEASE LIABILITIES</b>          |         |         |
| CURRENT                                   |         |         |
| Property lease liability                  | 168,855 | 167,871 |
| Vehicle lease liability                   | 43,502  | -       |
|   | 212,357 | 167,871 |
| NON-CURRENT                               |         |         |
| Property lease liability                  | 310,514 | 480,503 |
| Vehicle lease liability                   | 22,581  | -       |
|   | 333,094 | 480,503 |
| <i>Future lease payments</i>              |         |         |
| Future lease payments are due as follows: |         |         |
| Within one year                           | 226,444 | 187,651 |
| One to five years                         | 480,447 | 639,894 |
| More than five years                      | -       | -       |
|   | 706,891 | 826,545 |

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**NOTE 9: EMPLOYEE ENTITLEMENTS**

|                    |         |         |
|--------------------|---------|---------|
| CURRENT            |         |         |
| Annual leave       | 398,091 | 388,149 |
| Long service leave | 153,492 | 162,314 |
|                    | 551,583 | 550,463 |
| NON-CURRENT        |         |         |
| Long service leave | 203,320 | 155,080 |
|                    | 203,320 | 155,080 |

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

**FNQ NRM LTD TRADING AS TERRAIN NRM**  
**ABN 53 106 385 899**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

|                          | 2022      | 2021 |
|--------------------------|-----------|------|
|                          | \$        | \$   |
| <b>NOTE 10: RESERVES</b> |           |      |
| Future projects          | 3,639,405 | -    |
|                          | 3,639,405 | -    |

The Future projects reserve represents an internal allocation of funding received that is to be expended in future periods.

**NOTE 11: KEY MANAGEMENT REMUNERATION**

|                    |         |         |
|--------------------|---------|---------|
| Total remuneration | 895,668 | 837,588 |
|                    | 895,668 | 837,588 |

**NOTE 12: REMUNERATION OF AUDITORS**

|   |        |        |
|---|--------|--------|
| Audit of the financial statements                       | 16,750 | 16,000 |
| Assistance with preparation of the financial statements | 1,800  | 1,750  |
|   | 18,550 | 17,750 |

**NOTE 13: RELATED PARTY TRANSACTIONS**

FNQ NRM Ltd aligned with Cape York Natural Resource Management Ltd and Northern Gulf Resource Management Group Ltd and created a new entity, NQ NRM Alliance Ltd to perform the corporate services role for all three NRM entities centrally. NQ NRM Alliance has also performed some grant coordination services for the three NRMs. Board members from FNQ NRM are present on the board of NQ NRM Alliance Ltd. Due to this relationship, The NQ NRM Alliance Ltd is noted as a related party to FNQ NRM Ltd. It is noted that the corporate services relationship with NQ NRM Alliance terminated at the end of the prior year.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

***Transactions with related parties***

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

NQ NRM Alliance Ltd

|   |           |           |
|---|-----------|-----------|
| Receipts for goods and services – grant funding received      | 4,959,718 | 2,374,532 |
| Payments for goods and services – corporate services provided | -         | 1,354,886 |

Cape York NRM Ltd

|                                 |       |         |
|---------------------------------|-------|---------|
| Receipts for goods and services | 6,200 | 6,775   |
| Payments for goods and services | 505   | 137,023 |

Northern Gulf RMG Ltd

|                                 |       |   |
|---------------------------------|-------|---|
| Receipts for goods and services | 1,100 | - |
|---------------------------------|-------|---|

***Receivables from and payables to related parties***

The following balances were outstanding at the reporting date in relation to transactions with related parties:

NQ NRM Alliance Ltd

|                   |        |   |
|-------------------|--------|---|
| Trade receivables | 21,163 | - |
|-------------------|--------|---|

Northern Gulf RMG Ltd

|                 |   |        |
|-----------------|---|--------|
| Loan receivable | - | 50,000 |
|-----------------|---|--------|

**FNQ NRM LTD TRADING AS TERRAIN NRM**  
**ABN 53 106 385 899**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

|   | 2022          | 2021           |
|---|---------------|----------------|
|   | \$            | \$             |
| <b>NOTE 14: SHORT TERM AND LOW-VALUE LEASES</b>             |               |                |
| Minimum lease payments for short term and low value leases: |               |                |
| - Within one year   | 11,728        | 54,227         |
| - Between one and five years                                | -             | 86,799         |
|   | <u>11,728</u> | <u>141,026</u> |

Short term and low value lease commitments represent leases that are not captured under AASB 16: *Leases*.

**NOTE 15: MEMBERS' GUARANTEE**

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the Company.

**NOTE 16: EVENTS AFTER THE REPORTING PERIOD**

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**FNQ NRM LTD TRADING AS TERRAIN NRM**  
**ABN 53 106 385 899**

**DIRECTORS' DECLARATION**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 3 to 12 are in accordance with the *Australian Charities and Not-for-Profit Commission Act 2012*, the Australian Accounting Standards – Simplified Disclosures and other mandatory professional reporting requirements;
2. The attached financial statements and notes give a true and fair view of the financial position as 30 June 2022 and of the performance for the year ended on that date;
3. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director Dr Keith Noble

Director Pete Faulkner



Dated 11 November 2022

Cairns

**DECLARATION OF INDEPENDENCE BY MARGARET DEWHURST TO THE DIRECTORS OF FNQ  
NRM LTD**

As lead auditor of FNQ NRM Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



**Margaret Dewhurst**

**Director**



**BDO Audit (NTH QLD) Pty Ltd**

Cairns

11 November 2022

## INDEPENDENT AUDITOR'S REPORT

To the members of FNQ NRM Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of FNQ NRM Ltd (the registered entity), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of FNQ NRM Ltd, is 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 2022 and of its financial performance for the year then 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 directors 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 directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, directors 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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

BDO

**BDO Audit (NTH QLD) Pty Ltd**



Margaret Dewhurst

Director

Cairns, 11 November 2022