

FNQ NRM Ltd trading as Terrain NRM

ABN 53 106 385 899

Financial Statements - 30 June 2025

FNQ NRM LTD TRADING AS TERRAIN NRM
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30 June 2025

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General information

The financial statements cover FNQ NRM Ltd trading as Terrain NRM as an individual entity. The financial statements are presented in Australian dollars, which is FNQ NRM Ltd trading as Terrain NRM's functional and presentation currency.

FNQ NRM Ltd trading as Terrain NRM is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

63 Anderson St
Manunda, QLD 4860

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.

FNQ NRM LTD TRADING AS TERRAIN NRM
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue and other income	3	16,109,998	6,552,629
Expenses			
Employee benefits expense		(4,292,461)	(3,731,538)
Employee benefits expense - superannuation		(518,224)	(447,119)
Amortisation - right-of-use asset		(242,210)	(167,707)
Depreciation - property, plant and equipment		(72,506)	(33,048)
Consultancy expenses		(164,939)	(62,914)
Finance costs - interest on lease liabilities		(23,947)	(24,096)
On-ground grants and contracts		(4,681,828)	(2,126,003)
Short term and low value lease expense		4,833	(32,813)
Technical support		(1,805,753)	(661,117)
Technical support - projects		(200,867)	(307,462)
Other expenses		(1,389,884)	(817,774)
Total expenses		<u>(13,387,786)</u>	<u>(8,411,591)</u>
Surplus/(deficit) before income tax expense		2,722,212	(1,858,962)
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the year		2,722,212	(1,858,962)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year	2	<u><u>2,722,212</u></u>	<u><u>(1,858,962)</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

FNQ NRM LTD TRADING AS TERRAIN NRM
STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents		5,138,802	4,785,963
Trade and other receivables	4	3,103,845	908,298
Other assets		25,463	18,863
Prepayments		54,660	56,065
Total current assets		<u>8,322,770</u>	<u>5,769,189</u>
Non-current assets			
Property, plant and equipment	5	369,663	142,337
Right-of-use assets	6	437,232	381,307
Total non-current assets		<u>806,895</u>	<u>523,644</u>
Total assets		<u>9,129,665</u>	<u>6,292,833</u>
Liabilities			
Current liabilities			
Trade and other payables	7	926,130	933,611
Lease liabilities	8	225,750	199,416
Employee entitlements	9	570,568	513,359
Total current liabilities		<u>1,722,448</u>	<u>1,646,386</u>
Non-current liabilities			
Lease liabilities	8	270,994	217,396
Employee entitlements	9	171,827	186,867
Total non-current liabilities		<u>442,821</u>	<u>404,263</u>
Total liabilities		<u>2,165,269</u>	<u>2,050,649</u>
Net assets		<u>6,964,396</u>	<u>4,242,184</u>
Equity			
Retained surpluses		<u>6,964,396</u>	<u>4,242,184</u>
Total equity		<u>6,964,396</u>	<u>4,242,184</u>

The above statement of financial position should be read in conjunction with the accompanying notes

FNQ NRM LTD TRADING AS TERRAIN NRM
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2025

	Retained profits \$	Total equity \$
Balance at 1 July 2023	6,101,146	6,101,146
Deficit after income tax expense for the year	(1,858,962)	(1,858,962)
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	(1,858,962)	(1,858,962)
Balance at 30 June 2024	<u>4,242,184</u>	<u>4,242,184</u>
	 Retained profits \$	 Total equity \$
Balance at 1 July 2024	4,242,184	4,242,184
Surplus after income tax expense for the year	2,722,212	2,722,212
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	2,722,212	2,722,212
Balance at 30 June 2025	<u>6,964,396</u>	<u>6,964,396</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

FNQ NRM LTD TRADING AS TERRAIN NRM
STATEMENT OF CASH FLOWS
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers, funding bodies and donors (inclusive of GST)		14,977,865	8,762,905
Payments to suppliers and employees (inclusive of GST)		(14,219,728)	(9,381,740)
Interest received		130,578	59,446
		<u>888,715</u>	<u>(559,389)</u>
Net cash from/(used in) operating activities			
Cash flows from investing activities			
Payments for property, plant and equipment	5	<u>(293,748)</u>	<u>(127,543)</u>
		<u>(293,748)</u>	<u>(127,543)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Interest portion of lease payments		(23,947)	(24,096)
Repayment of lease liabilities		(218,181)	(205,680)
		<u>(242,128)</u>	<u>(229,776)</u>
Net cash used in financing activities			
Net increase/(decrease) in cash and cash equivalents		352,839	(916,708)
Cash and cash equivalents at the beginning of the financial year		<u>4,785,963</u>	<u>5,702,671</u>
Cash and cash equivalents at the end of the financial year		<u><u>5,138,802</u></u>	<u><u>4,785,963</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

FNQ NRM LTD TRADING AS TERRAIN NRM
NOTES TO THE FINANCIAL STATEMENTS
30 June 2025

Note 1. Material accounting policy information

The accounting policies that are material to the company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

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.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-profits Commission Act 2012 as appropriate for not-for profit oriented entities.

Critical accounting estimates

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.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Note 2. Explanation of financial result

By the nature of Australian State and Federal government funding, payments may be received in advance of the period of project delivery expenditure.

The company has certain contracts that are not sufficiently specific in accordance with Australian Accounting Standards, therefore funding for these projects is recognised in the year the cash is received. In this case, the unspent funds received in advance are recorded internally as Project Committed Funds.

Major projects starting in the 2025 financial year (or late in the 2024 financial year) have resulted in an increase of \$2,471,163 in project committed funds for this year.

The remainder of the 2025 financial year surplus in the Statement of Profit or Loss is contributing to an increase of \$251,049 in the company's other reserves (compared to a reduction of \$593,889 in the previous year).

	2025	2024
	\$	\$
Project committed funds	3,406,597	935,434

FNQ NRM LTD TRADING AS TERRAIN NRM
NOTES TO THE FINANCIAL STATEMENTS
30 June 2025

Note 3. Revenue and other income

	2025	2024
	\$	\$
Project income	15,777,404	6,370,497
<i>Other income</i>		
Interest received	130,578	59,446
Membership income	68,000	68,000
Miscellaneous income and donations	134,016	54,686
	<u>332,594</u>	<u>182,132</u>
Revenue and other income	<u>16,109,998</u>	<u>6,552,629</u>

Disaggregation of revenue

The disaggregation of revenue from project income is as follows:

	2025	2024
	\$	\$
<i>Timing of recognition of revenue</i>		
Recognised on receipt (AASB 1058)	4,516,880	4,098,218
Recognised over time (AASB 15)	11,260,524	2,272,279
	<u>15,777,404</u>	<u>6,370,497</u>

Accounting policy for revenue recognition

The company recognises revenue as follows:

Project income

Project income (grants) is recognised under AASB 15 for not-for-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 an 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.

Membership income

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

FNQ NRM LTD TRADING AS TERRAIN NRM
NOTES TO THE FINANCIAL STATEMENTS
30 June 2025

Note 4. Trade and other receivables

	2025 \$	2024 \$
<i>Current assets</i>		
Trade receivables	498,438	661,363
Contract assets	2,605,407	246,935
	3,103,845	908,298
	3,103,845	908,298

Accounting policy for trade and other receivables

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.

Contract assets

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 5. Property, plant and equipment

	2025 \$	2024 \$
<i>Non-current assets</i>		
Leasehold improvements - at cost	461,653	161,821
Less: Accumulated depreciation	(94,614)	(28,367)
	367,039	133,454
Fixtures and fittings - at cost	13,564	13,564
Less: Accumulated depreciation	(10,940)	(4,681)
	2,624	8,883
	369,663	142,337

Reconciliations

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

	Leasehold improvements \$	Furniture and fittings \$	Total \$
Balance at 1 July 2024	133,454	8,883	142,337
Additions	293,748	-	293,748
Adjustments	6,084	-	6,084
Depreciation expense	(66,247)	(6,259)	(72,506)
	367,039	2,624	369,663
Balance at 30 June 2025	367,039	2,624	369,663

Accounting policy for property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	5 years
Fixtures and fittings	2-5 years

FNQ NRM LTD TRADING AS TERRAIN NRM
NOTES TO THE FINANCIAL STATEMENTS
30 June 2025

Note 5. Property, plant and equipment (continued)

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Note 6. Right-of-use assets

	2025	2024
	\$	\$
<i>Non-current assets</i>		
Property lease - right-of-use	1,181,990	1,116,469
Less: Accumulated depreciation	(956,112)	(783,599)
	225,878	332,870
Vehicle lease - right-of-use	335,272	183,494
Less: Accumulated depreciation	(123,918)	(135,057)
	211,354	48,437
	437,232	381,307

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 at 1 July 2024	332,870	48,437	381,307
Additions/extensions	75,277	211,376	286,653
Other adjustments	11,482	-	11,482
Amortisation expense	(193,751)	(48,459)	(242,210)
	225,878	211,354	437,232
Balance at 30 June 2025	225,878	211,354	437,232

Accounting policy for right-of-use assets

The entity leases land and buildings for its Far North Queensland office locations, 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.

The right-of-use asset is measured at cost.

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.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets.

FNQ NRM LTD TRADING AS TERRAIN NRM
NOTES TO THE FINANCIAL STATEMENTS
30 June 2025

Note 7. Trade and other payables

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	242,097	346,846
PAYG withholding	81,450	64,134
Contract liabilities	82,610	332,873
Accrued expenses	397,075	3,990
GST payable	98,798	167,881
Other payables	24,100	17,887
	<u>926,130</u>	<u>933,611</u>

Accounting policy for trade and other payables

The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities are deferred revenue.

Note 8. Lease liabilities

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Property lease	145,400	181,188
Vehicle lease	80,350	18,228
	<u>225,750</u>	<u>199,416</u>
<i>Non-current liabilities</i>		
Property lease	138,559	184,295
Vehicle lease	132,435	33,101
	<u>270,994</u>	<u>217,396</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	244,629	215,142
One to five years	288,433	252,023
	<u>533,062</u>	<u>467,165</u>

Note 9. Employee entitlements

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Annual leave	372,830	319,025
Long service leave	197,738	194,334
	<u>570,568</u>	<u>513,359</u>
<i>Non-current liabilities</i>		
Long service leave	<u>171,827</u>	<u>186,867</u>

FNQ NRM LTD TRADING AS TERRAIN NRM
NOTES TO THE FINANCIAL STATEMENTS
30 June 2025

Note 9. Employee entitlements (continued)

Accounting policy for employee benefits

The company accounts for the full potential long service leave obligation to staff in respect of services provided by employees up to the reporting date. The balance for staff with over seven years' service is recognised as a current provision, with the balance recognised as non-current. The liability is measured at the employees' current wage levels and is not discounted.

Note 10. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2025 \$	2024 \$
Aggregate compensation	<u>1,048,821</u>	<u>959,630</u>

Note 11. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO (Nth Qld), the auditor of the company:

	2025 \$	2024 \$
<i>Audit services - BDO (Nth Qld)</i>		
Audit of the financial statements	<u>16,000</u>	<u>17,750</u>
<i>Other services - BDO (Nth Qld)</i>		
Assistance with the preparation of the financial statements	<u>2,000</u>	<u>1,750</u>
	<u>18,000</u>	<u>19,500</u>

Note 12. 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 Ltd has also performed some grant coordination services for the three NRMs. Board members from FNQ NRM Ltd 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.

NQ NRM Alliance Ltd ceased operations in the 2024 financial year, with the arrangement and influence associated through management and board oversight expiring at that time.

Key management personnel

Disclosures relating to key management personnel are set out in note 10.

FNQ NRM LTD TRADING AS TERRAIN NRM
NOTES TO THE FINANCIAL STATEMENTS
30 June 2025

Note 12. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2025	2024
	\$	\$
Sale of goods and services:		
Sale of goods and services to other related party - NQ NRM Alliance Ltd	-	2,298,561
Sale of goods and services to other related party - Cape York NRM Ltd	7,805	16,934
Payment for goods and services:		
Purchase of goods and services from other related party - Cape York NRM Ltd	-	1,100

Receivable from and payable to related parties

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

	2025	2024
	\$	\$
Current receivables:		
Trade receivables from other related party - Cape York NRM Ltd	-	275

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 13. 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.

FNQ NRM LTD TRADING AS TERRAIN NRM
DIRECTORS' DECLARATION
30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors



Chair - Barry Hunter

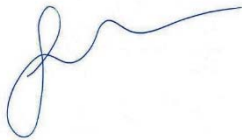
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Director - Peter Faulkner

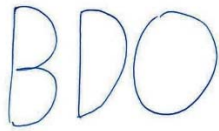
DECLARATION OF INDEPENDENCE BY JAMES GAUSTAD TO THE DIRECTORS OF FNQ NRM LTD

I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of FNQ NRM Ltd for the year ended 30 June 2025.



James Gaustad

Director



BDO Audit (NTH QLD) Pty Ltd

Cairns

21 October 2025

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 2025, 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 material accounting policy information, 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 2025 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 directors 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 - Simplified Disclosures 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 directors either intend to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

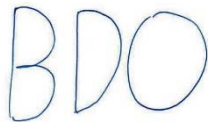
The directors of the registered entity are responsible for overseeing the registered entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

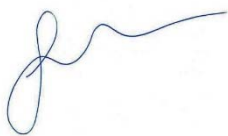
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that 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

This description forms part of our auditor's report.



BDO Audit (NTH QLD) Pty Ltd



James Gaustad

Director

Cairns, 21 October 2025