



Healthy Land & Water Ltd

ABN 91 115 662 989

**Annual
Financial Report
FY2023**

Contents

For the Year Ended 30 June 2023

	Page
Financial Statements	
Cover page	
Directors' Report	1
Auditor's Independence Declaration	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	41
Independent Auditor's Report	42

Directors' Report

30 June 2023

The directors present their report, together with the financial statements of the Group, being the Company and its controlled entity, for the financial year ended 30 June 2023.

Directors

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

Stephen Robertson	(Chair)
Karen Williams	- resigned 13 September 2022
Nikki Poteri-Collie	
Nadia O'Carroll	
Simon Warner	
Rhett Duncan	
Melissa Impiazzi	
Cameron Costello	

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

Company Secretary

Tania Kearsley held the position of company secretary until her resignation on 11 January 2023, when she was succeeded by Lee Horobin, who was appointed on the same day. Ms Kearsley and Mr Horobin both provide services as an independent outsourced company secretary and governance consultant to a number of organisations in the not-for-profit sector. Mr Horobin resigned on 28 July 2023 and Lucy Laakso was appointed as Company Secretary on the same day.

Principal activities

This financial year was the first in Healthy Land & Water's new 5-year *Strategic Plan (FY23-FY27)*. The new plan, driven by the organisations many stakeholders, places the emphasis on Healthy Land & Water leading environmental change. To deliver this, some of the principal activities of the Group during the financial year included.

- **Environmental leadership for SEQ:** Our mission is to deliver an environment for future generations to thrive. This includes work on biodiversity, catchments and waterways and communities. Our key aims are to:
 - Direct the investment in SEQ's environmental future.
 - Deliver transformative environmental and community change.
 - Create connections between people, place and culture.
- **Influence and leadership:** Healthy Land & Water is an authoritative voice and leader in the industry. By staying ahead of the curve and continuously adapting to changing environmental realities, we are establishing ourselves as the [go-to organisation for expertise in environmental management and sustainability](#).

Directors' Report

30 June 2023

Principal activities (continued)

- **Bringing together partnerships, collaboration, engagement:** Healthy Land & Water collaborates with a diverse range of stakeholders, including government agencies, businesses, community groups, and First Nations peoples. By forging strategic partnerships, we leverage collective resources, expertise, and networks to **achieve shared environmental goals**.
- **Coordinating the Natural Resource Management Plan for SEQ:** on behalf of communities across the region.
- **Expertise and knowledge:** Healthy Land & Water has over 22 years of experience in **environmental research, monitoring, and on-ground project deployment and management**.
- **Data and science:** Healthy Land & Water leverages robust data and the latest scientific research to provide evidence-based recommendations and strategies. This allows us to **advocate** for sustainable practices and **influence** policy at the local, regional, and national levels.
- **Informing decision-making:** We utilise our deep understanding of the region's ecosystems and waterways to **inform decision-making**, and **direct investment** into our natural resources.
- **Implementing on-ground solutions:** We implement effective **on-ground solutions**.
- **Increasing understanding & inspiring change:** By effectively communicating the value proposition and inspiring action, Healthy Land & Water **engages the community, stakeholders, and decision-makers in positive environmental change**.
- **Business development and investment:** Healthy Land & Water actively seeks funding and to attract investment opportunities to a.) support our environmental projects, services, advice and leadership for the region and b.) direct investment for the same. By aligning our business development goals with our mission, we strive to attract financial resources and **leverage them to implement scaled, impactful initiatives**.
- **Carbon/nature positive commitment:** Recognising the critical importance of addressing climate change, Healthy Land & Water **incorporates sustainability practices** into its strategies. By actively promoting this commitment, we are demonstrating our commitment to ensuring we play our part in actively addressing environmental and sustainability issues as a business.



Directing the **investment** in SEQ's environmental future



Delivering **transformative environmental** and community change



Creating **connections** between people, place and culture

Directors' Report

30 June 2023

Operating results

The consolidated surplus of the Group amounted to \$ 1,345,075 (2022: \$ 3,200,977).

The majority of the Group's income is derived from the Federal, State and Local Government. During the year the Group's total income was \$ 19,494,872 (2022: \$ 17,747,620).

Aligned with the Group's objectives as a for-purpose charity, surpluses have been applied to two reserves. During the year there were no additional contributions to the Community Natural Assets Investment Reserve, which was established in FY2020 to bolster the organisations' ability "to protect and enhance natural assets in the SEQ community for a resilient future". The Company is reviewing the objectives of the Community Natural Assets Investment Reserve to ensure funding applied delivers strategic and innovative impact investments.

A Project Reserve to accommodate expected timing differences between recognition of revenue and expenditure to be incurred in project delivery that has fallen over financial years was established in the previous financial year. This reserve ensures successful completion of multi-year projects, including those projects with tied grant funding arrangements, without compromising cash flow.

Events after the reporting date

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

Likely developments and expected results of operations

To achieve a sustainable funding platform, new business opportunities and growth will continue to be a focus for the Group while continuing to deliver on committed programs and projects and maintaining tight controls on spending. This year marked the first year in Healthy Land and Water's 5-year Strategic Plan. A new, bolder, future-leading Strategic Plan has been endorsed by the Board which will now guide Healthy Land and Water's activities going forward.

Environmental regulation

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Dividends

Under the terms of Healthy Land and Water's constitution and in accordance with the Corporations Act, the Company cannot pay dividends.

Contribution to a winding up

Healthy Land and Water Limited 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 outstanding obligations of the Company. At 30 June 2023, the total amount that the members are liable to contribute if the Company is wound up is \$30 (2022: \$30).

Directors' Report

30 June 2023

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year.

Meetings of directors

The number of Directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Group (and other committee members) during the financial year were as follows:

	Board Meetings		Risk and Audit Committee Meetings		Indigenous Engagement Strategy Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Stephen Robertson	8	8	7	6	4	3
Karen Williams (1)	3	2	-	-	-	-
Nikki Poteri-Collie	8	8	7	7	-	-
Nadia O'Carroll	8	8	-	-	-	-
Simon Warner	8	7	-	-	4	4
Rhett Duncan	8	8	-	-	-	-
Melissa Impiazzi	8	8	7	7	-	-
Cameron Costello	8	5	-	-	4	4
Other members attendance						
Paul Emmerson	-	-	7	3	-	-
Donna Gregory (2)	-	-	4	4	-	-
Susan Moss	-	-	7	6	-	-
Professor Darryl Low Choy	-	-	-	-	4	3
Valerie Cooms	-	-	-	-	4	1
Jason Murphy	-	-	-	-	4	4
Julie McLellan	8	8	7	7	4	3

Note 1: resigned 13 September 2022

Note 2: resigned 18 November 2022

Auditor's independence declaration

A copy of the auditor's independence declaration, as required under subdivision 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, is set out on page 6 of the financial report.

Directors' Report

30 June 2023

Adoption of new and revised accounting standards

No new or revised accounting standards had material impact on the operations of the Group during the year.

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

Chair:

Stephen Robertson

Dated this 13th day of October 2023

AUDITOR'S INDEPENDENCE DECLARATION**UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS
COMMISSION ACT 2012 - TO THE DIRECTORS OF HEALTHY LAND AND WATER LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.

Nexia Brisbane Audit Pty Ltd

Nexia Brisbane Audit Pty Ltd

Robertson.

AM Robertson
Director

Date: 13 October 2023

Advisory. Tax. Audit.

Registered Audit Company 299289

6

Nexia Brisbane Audit Pty Ltd (ABN 49 115 261 722) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

	Note	Consolidated		Company	
		2023	2022	2023	2022
		\$	\$	\$	\$
Revenue and other income	4	19,331,977	17,635,374	24,297,977	17,635,374
Cost of Sales		(12,262,067)	(9,282,282)	(12,262,067)	(9,282,282)
Gross Profit		7,069,910	8,353,092	12,035,910	8,353,092
Operating and administration expenses		(2,028,993)	(1,559,351)	(2,028,643)	(1,558,780)
Employee expenses	6	(3,492,776)	(3,205,422)	(3,492,776)	(3,205,422)
Depreciation and amortisation expenses	6	(358,511)	(360,598)	(358,511)	(360,598)
Results from operating activities		1,189,630	3,227,721	6,155,980	3,228,292
Finance income	5	162,895	112,246	126,606	49,111
Finance costs	5	(7,450)	(138,990)	(7,450)	(138,990)
Surplus before income tax		1,345,075	3,200,977	6,275,136	3,138,413
Income tax benefit (expense)	7	-	-	-	-
Surplus for the year		1,345,075	3,200,977	6,275,136	3,138,413
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		1,345,075	3,200,977	6,275,136	3,138,413
Total comprehensive income of the Group and Company is carried forward to future years to be applied as follows:					
Transfer from Community Natural Asset Investment Reserve	18	(75,922)	(17,702)	(75,922)	(17,702)
Transfer to Project Reserve	18	1,652,322	3,303,386	1,652,322	3,303,386
Transfer from Strategic Reserve	18	-	(175,000)	-	(175,000)
(Deficit)/Surplus retained for general working capital		(231,325)	90,293	4,698,736	27,729
		1,345,075	3,200,977	6,275,136	3,138,413

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 30 June 2023

	Note	Consolidated		Company	
		2023	2022	2023	2022
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	10,607,680	10,415,101	8,288,733	7,213,958
Trade and other receivables	9	1,594,593	1,060,367	1,594,593	1,028,502
Contract assets	4	2,594,122	2,748,874	2,594,122	2,748,874
Other assets	10	289,910	157,566	289,910	157,566
TOTAL CURRENT ASSETS		15,086,305	14,381,908	12,767,358	11,148,900
NON-CURRENT ASSETS					
Trade and other receivables	9	71,136	-	71,136	-
Financial assets	11	3,842,949	2,696,458	6,158,949	996,458
Property, plant and equipment	12	3,383,299	422,950	3,383,299	422,950
TOTAL NON-CURRENT ASSETS		7,297,384	3,119,408	9,613,384	1,419,408
TOTAL ASSETS		22,383,689	17,501,316	22,380,742	12,568,308
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	13	2,763,600	1,736,536	2,763,580	1,736,516
Lease liabilities	14	434,922	237,816	434,922	237,816
Employee benefits provision	16	942,343	886,303	942,343	886,303
Contract liabilities	4	89,436	390,033	89,436	390,033
TOTAL CURRENT LIABILITIES		4,230,301	3,250,688	4,230,281	3,250,668
NON-CURRENT LIABILITIES					
Lease liabilities	14	2,374,377	-	2,374,377	-
Provisions	15	105,000	-	105,000	-
Employee benefits provision	16	110,393	32,085	110,393	32,085
TOTAL NON-CURRENT LIABILITIES		2,589,770	32,085	2,589,770	32,085
TOTAL LIABILITIES		6,820,071	3,282,773	6,820,051	3,282,753
NET ASSETS		15,563,618	14,218,543	15,560,691	9,285,555
EQUITY					
Reserves	18	7,411,321	5,834,921	7,411,321	5,834,921
Retained earnings	19	8,152,297	8,383,622	8,149,370	3,450,634
TOTAL EQUITY		15,563,618	14,218,543	15,560,691	9,285,555

The accompanying notes form part of these financial statements.

Healthy Land and Water Ltd

ABN 91 115 662 989

Statement of Changes in Equity For the Year Ended 30 June 2023

2023

		Consolidated				
		Community Natural Asset Investment Reserve	Project Reserve	Strategic Reserve	Retained Surplus	Total
	Note	\$	\$	\$	\$	\$
Balance at 1 July 2022						
Surplus for the year	19	1,675,228	4,159,693	-	8,383,622	14,218,543
Other comprehensive income		-	-	-	1,345,075	1,345,075
Total comprehensive income of the Group is carried forward to future years to be applied as follows:						
Transfer (from)/to Community Natural Asset Investment Reserve	18	(75,922)	-	-	75,922	-
Transfer to Project Reserve	18	-	1,652,322	-	(1,652,322)	-
Transfer from Strategic Reserve	18	-	-	-	-	-
Balance at 30 June 2023		1,599,306	5,812,015	-	8,152,297	15,563,618
Balance at 1 July 2021						
Surplus for the year	19	1,692,930	856,307	175,000	8,293,329	11,017,566
Other comprehensive income		-	-	-	3,200,977	3,200,977
Total comprehensive income of the Group is carried forward to future years to be applied as follows:						
Transfers from Community Natural Asset Investment Reserve	18	(17,702)	-	-	17,702	-
Transfer to Project Reserve	18	-	3,303,386	-	(3,303,386)	-
Transfer from Strategic Reserve	18	-	-	(175,000)	175,000	-
Balance at 30 June 2022		1,675,228	4,159,693	-	8,383,622	14,218,543

The accompanying notes form part of these financial statements.

Healthy Land and Water Ltd

ABN 91 115 662 989

Statement of Changes in Equity For the Year Ended 30 June 2023

2023

	Note	Community Natural Asset Investment Reserve	Project Reserve	Strategic Reserve	Retained Surplus	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2022		1,675,228	4,159,693	-	3,450,634	9,285,555
Surplus for the year	19	-	-	-	6,275,136	6,275,136
Other comprehensive income		-	-	-	-	-
Total comprehensive income of the Company is carried forward to future years to be applied as follows:						
Transfers from Community Natural Asset Investment Reserve	18	(75,922)	-	-	75,922	-
Transfer to Project Reserve	18	-	1,652,322	-	(1,652,322)	-
Transfer from Strategic Reserve	18	-	-	-	-	-
Balance at 30 June 2023		1,599,306	5,812,015	-	8,149,370	15,560,691
Balance at 1 July 2021		1,692,930	856,307	175,000	3,422,905	6,147,142
Surplus for the year	19	-	-	-	3,138,413	3,138,413
Other comprehensive income		-	-	-	-	-
Total comprehensive income of the Company is carried forward to future years to be applied as follows:						
Transfers from Community Natural Asset Investment Reserve	18	(17,702)	-	-	17,702	-
Transfer to Project Reserve	18	-	3,303,386	-	(3,303,386)	-
Transfer from Strategic Reserve	18	-	-	(175,000)	175,000	-
Balance at 30 June 2022		1,675,228	4,159,693	-	3,450,634	9,285,555

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2023

Note	Consolidated		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers	20,477,617	17,804,562	23,095,752	17,804,562
Cash paid to suppliers and employees	(18,674,643)	(16,285,278)	(18,674,293)	(16,284,717)
Interest received	59,086	100,849	22,797	36,699
Interest paid	(7,450)	(19,707)	(7,450)	(19,707)
Net cash generated by operating activities	1,854,610	1,600,426	4,436,806	1,536,837
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of plant and equipment	10,000	-	10,000	-
Proceeds from sale of investments	441,711	273,615	441,711	273,615
Proceeds from / (contributions to) long term deposits	1,607,317	-	(92,683)	-
Dividends received	13,028	31,657	13,028	31,657
Acquisition of property, plant and equipment	12 (399,288)	(42,291)	(399,288)	(42,291)
Payments to acquire financial assets	(3,091,710)	(275,117)	(3,091,710)	(275,117)
Net cash used in investing activities	(1,418,942)	(12,136)	(3,118,942)	(12,136)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of lease liabilities	17 (243,089)	(224,680)	(243,089)	(224,680)
Net cash used in financing activities	(243,089)	(224,680)	(243,089)	(224,680)
Net increase in cash and cash equivalents held	192,579	1,363,610	1,074,775	1,300,021
Cash and cash equivalents at beginning of year	10,415,101	9,051,491	7,213,958	5,913,937
Cash and cash equivalents at end of financial year	8 10,607,680	10,415,101	8,288,733	7,213,958

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2023

The financial report covers Healthy Land and Water Ltd and its controlled entity ('the Group'). Healthy Land and Water Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia. The address of the Company's registered office is Level 11, 240 Queen Street, Brisbane QLD 4000.

The Group consists of the Company and a not-for-profit entity and is primarily involved in leading and managing the strategic direction of natural resource management planning and activity in South East Queensland.

The financial report was authorised for issue by the Directors on 13 October 2023.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*. Healthy Land and Water is a not-for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar.

2 Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Company and its subsidiary. The subsidiary is an entity that the Company controls. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of the subsidiary are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

The controlled entity is contained in Note 23 to the financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Significant Accounting Policies (continued)

(b) Revenue and other income

Revenue from contracts with customers

The majority of the Group's programs are supported by funds received from the Federal, State and Local Governments in the form of grants, fees for services and membership service fees.

Revenue from contracts with customers primarily includes membership revenue and revenue for various projects funded by Federal, State, and Local Governments and Corporate bodies. Revenue relating to the provision of services has been recognised under AASB15: *Revenue from Contracts with Customers* using an "output method" based on the standalone selling prices of the services provided. In applying AASB 15, the Company has recognised contract assets which relate to its rights to consideration for work performed, but not billed at the reporting date in relation to contracts that meet the requirements to be recognised under AASB 15. The Group has also recognised contract liabilities, which relate to advance consideration received from customers.

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Grant funding that contain specific conditions on the use of those funds are recognised as (or when) the Group satisfies its performance obligations by providing goods and services under the contract.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however, where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset, unless the Group's rights to that amount of consideration are unconditional, in which case the Group recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Group presents the contract as a contract liability.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Significant Accounting Policies (continued)

(b) Revenue and other income (continued)

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations

Grant income

Revenue in the scope of AASB 1058 *Income of Not-for-profit Entities*, is recognised on receipt, unless it relates to a capital grant which satisfies certain criteria, in which case the grant is recognised as the asset is acquired or constructed. General grants received from Federal, State and Local Governments are recognised in accordance with AASB 1058, where the terms of the grants provide the Group with discretion, or that do not contain sufficiently specific performance obligations, regarding their use.

Revenue from non-reciprocal grants, that is not subject to conditions, is recognised when the Group obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied or if there has been a breach of the related contract, a liability is recognised at year-end to the extent that conditions remain unsatisfied or where there is an obligation to refund unutilised funds.

Interest and dividend income

Interest income is recognised on an accruals basis using the effective interest method. Dividend income is recognised at the time the right to receive payment is established.

(c) Income tax

No provision for income tax has been raised as the Company and its subsidiary are exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Income tax refundable relates to franking credits attached to dividends received from subsidiary entities and investments made on behalf of the Group in third party entities.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expenditure. Receivables and payables are stated in the statement of financial position inclusive of GST.

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

(e) Property, plant and equipment

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Significant Accounting Policies (continued)

(e) Property, plant and equipment (continued)

Property, plant and equipment are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Property, plant and equipment are subsequently measured using the cost model, being cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of all fixed assets, including capitalised leased premises is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Office fit-out are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation is recognised in profit or loss.

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

Fixed asset class	Depreciation rate
Leased premises	20%
Office fit out	20%
Motor vehicles	25%
IT equipment	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains or losses on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(f) Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the financial instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred). Subsequent measurement of financial assets and financial liabilities are described below.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Classification and subsequent measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Classification

Financial assets are subsequently measured at:

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

Classifications are determined by both:

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

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is recognised within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL) and comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposits.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial assets (continued)

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets at fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL. Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit or loss.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis and uses forward-looking information to recognise the ECL. Instruments within the scope of the ECL model include loans and other debt-type financial assets, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at FVTPL.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since in initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is now low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach over the expected life of the financial instrument.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial assets (continued)

Trade receivables

The Group makes use of the simplified approach in AASB 9 *Financial Instruments* in accounting for the impairment of trade receivables. The simplified approach records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Financial liabilities

The Group's financial liabilities include borrowings and trade and other payables.

The Group measures all financial liabilities initially at fair value less transaction costs unless they are designated at fair value through profit or loss (FVTPL).

Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective hedging instruments).

All interest-related charges and, if applicable, changes in an instruments fair value that are reported in profit or loss are included within finance costs or finance income.

Derecognition

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

Derecognition of financial liabilities

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial liabilities (continued)

Derecognition of financial assets

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

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

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

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

(g) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term highly liquid investments with original maturities of three months or less, which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Significant Accounting Policies (continued)

(h) Cash and cash equivalents (continued)

Term deposits and bank guarantees with a maturity date greater than twelve months after balance date are excluded from cash and cash equivalents as they are not available for use in the operations of the Group.

(i) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16: *Leases*.

The Group as lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Significant Accounting Policies (continued)

(i) Leases (continued)

- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise; lease payments under an optional renewal period if the Group is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(j) Trade and other receivables

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

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to the accounting policy note on Financial Instruments for further discussion on the determination of impairment losses.

(k) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Group during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Significant Accounting Policies (continued)

(l) Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries and non-monetary benefits. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The Group's obligation for short-term employee benefits are recognised as part of trade and other payables in the Statement of Financial Position.

Other long-term employee benefits

The Group's long-term employee benefits are benefits that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any remeasurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, irrespective of when the actual settlement is expected to take place.

(m) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of a present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Significant Accounting Policies (continued)

(n) Reserves

Aligned with the Group's objectives as a for-purpose charity, surpluses have been applied to two reserves as detailed in Note 18. Amounts are initially recognised in Other Comprehensive Income and subsequently will be appropriated to retained earnings.

(o) Fair value of assets and liabilities

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

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

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value.

(p) Economic dependence

The Group is dependent on the ongoing receipt of Federal and State Government grants and community and corporate funding to ensure the ongoing continuance of its programs. At the date of this report, management have no reason to believe that this financial support will not continue.

(q) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

(r) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. No changes have been made in the current year.

3 Critical Accounting Estimates and Judgments

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Notes to the Financial Statements

For the Year Ended 30 June 2023

3 Critical Accounting Estimates and Judgments (continued)

(a) Impairment

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

(b) Provision for employee benefits

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service, as described in Note 2 (l). The amount of these provisions would change should any of these factors change in the next 12 months.

(c) Performance obligations under AASB 15

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

Notes to the Financial Statements

For the Year Ended 30 June 2023

4 Revenue and Other Income

Revenue from continuing operations

		Consolidated		Company	
		2023	2022	2023	2022
		\$	\$	\$	\$
- Revenue from contracts with customers	(a)	19,241,898	17,514,413	19,241,898	17,514,413
- Other sources of revenue	(b)	80,079	120,961	80,079	120,961
Total revenue		19,321,977	17,635,374	19,321,977	17,635,374
- Other income	(c)	10,000	-	4,976,000	-
Total revenue and other income		19,331,977	17,635,374	24,297,977	17,635,374

(a) Revenue disaggregation

Revenue from contracts with customers is disaggregated as follows:

Federal government	6,701,213	7,032,725	6,701,213	7,032,725
State government	3,579,673	2,521,735	3,579,673	2,521,735
Local government	415,388	452,106	415,388	452,106
Corporates	1,090,072	564,632	1,090,072	564,632
Corporate utilities	4,563,332	3,912,820	4,563,332	3,912,820
Membership income - local government	1,354,400	1,329,495	1,354,400	1,329,495
Membership income - state government	700,000	680,000	700,000	680,000
Membership income - corporate utilities	837,820	1,020,900	837,820	1,020,900
Total	19,241,898	17,514,413	19,241,898	17,514,413

Timing of revenue recognition

Services performed on behalf of customers:

- at a point in time	11,894,262	10,139,027	11,894,262	10,139,027
- over time	7,347,636	7,375,386	7,347,636	7,375,386
	19,241,898	17,514,413	19,241,898	17,514,413

Notes to the Financial Statements

For the Year Ended 30 June 2023

4 Revenue and Other Income (continued)

Revenue from continuing operations (continued)

(b) Other sources of revenue

	Consolidated		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
- Dividends received	13,028	48,980	13,028	48,980
- Ticket sales	31,200	39,232	31,200	39,232
- Donations received	5,073	430	5,073	430
- Other	30,778	32,319	30,778	32,319
	80,079	120,961	80,079	120,961

(c) Other income

- Gain on disposal of property, plant and equipment	10,000	-	10,000	-
- Related party loan forgiveness	-	-	4,966,000	-
	10,000	-	4,976,000	-

Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers.

Contract assets	2,594,122	2,748,874	2,594,122	2,748,874
Contract liabilities	(89,436)	(390,033)	(89,436)	(390,033)
Net contract assets	2,504,686	2,358,841	2,504,686	2,358,841

(d) Contract liabilities

Balance at beginning of the year	(390,033)	(469,079)	(390,033)	(469,079)
Less: grants for which performance obligations were satisfied during the year	390,033	400,858	390,033	400,858
Add: grants for which performance obligations will only be satisfied in subsequent years	(89,436)	(321,812)	(89,436)	(321,812)
Closing balance at end of year	(89,436)	(390,033)	(89,436)	(390,033)

Notes to the Financial Statements

For the Year Ended 30 June 2023

4 Revenue and Other Income (continued)

(d) Contract liabilities (continued)

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

5 Finance Income and Finance Costs

Recognised in profit or loss

	Consolidated		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Interest from financial institutions	59,086	112,246	22,797	49,111
Revaluation of financial assets	103,809	-	103,809	-
Total finance income	162,895	112,246	126,606	49,111
Interest expense	(548)	(4,169)	(548)	(4,169)
Interest expense on lease liability	(6,902)	(15,538)	(6,902)	(15,538)
Revaluation of financial assets	-	(119,283)	-	(119,283)
Total finance costs	(7,450)	(138,990)	(7,450)	(138,990)
Net finance income recognised in profit or loss	155,445	(26,744)	119,156	(89,879)

6 Result for the year

The result for the year includes the following specific expenses:

Other expenses:

Employee benefit expenses	3,245,827	2,969,286	3,245,827	2,969,286
Contributions to defined contribution superannuation funds	246,949	236,136	246,949	236,136
Total employee expenses	3,492,776	3,205,422	3,492,776	3,205,422
Depreciation expenses	358,511	360,598	358,511	360,598

Notes to the Financial Statements

For the Year Ended 30 June 2023

7 Income tax expense

(a) Reconciliation of income tax to accounting profit:

	Consolidated		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Profit (a)	1,345,075	3,200,977	6,275,136	3,138,413
Tax	25.00 %	25.00 %	25.00 %	25.00 %
	336,269	800,244	1,568,784	784,603
Add tax effect of:				
- losses of taxable entities not brought to account	-	23	-	-
- income tax exempt entities	(336,269)	(800,267)	(1,568,784)	(784,603)
Income tax expense	-	-	-	-

(a) Before reserve appropriation.

8 Cash and Cash Equivalents

Cash on hand	400	400	400	400
Cash at bank	8,704,675	8,968,357	8,288,333	6,763,558
Short-term bank deposits	1,902,605	1,446,344	-	450,000
	10,607,680	10,415,101	8,288,733	7,213,958

9 Trade and Other Receivables

CURRENT				
Trade receivables	1,591,583	1,008,266	1,591,583	1,008,266
Other receivables	3,010	52,101	3,010	20,236
	1,594,593	1,060,367	1,594,593	1,028,502
NON-CURRENT				
Security bonds	71,136	-	71,136	-
	71,136	-	71,136	-

10 Other Assets

CURRENT				
Prepayments	266,907	140,243	266,907	140,243
Accrued income	23,003	17,323	23,003	17,323
	289,910	157,566	289,910	157,566

Notes to the Financial Statements

For the Year Ended 30 June 2023

11 Financial Assets

		Consolidated		Company	
		2023	2022	2023	2022
		\$	\$	\$	\$
CURRENT					
Loan receivable from a related party	25	-	-	2,316,000	-
Held-for-trading investment in managed portfolio of trade securities	25	3,577,083	823,275	3,577,083	823,275
Long-term deposits	25	225,866	1,833,183	225,866	133,183
Hybrid bank securities	25	40,000	40,000	40,000	40,000
		3,842,949	2,696,458	6,158,949	996,458

12 Property, Plant and Equipment

Capital works in progress					
At cost		200,201	-	200,201	-
Leased premises					
At cost		2,919,572	881,249	2,919,572	881,249
Accumulated depreciation		(6,321)	(664,114)	(6,321)	(664,114)
Total premises		2,913,251	217,135	2,913,251	217,135
Motor vehicles					
At cost		631,461	466,711	631,461	466,711
Accumulated depreciation		(381,548)	(303,611)	(381,548)	(303,611)
Total motor vehicles		249,913	163,100	249,913	163,100
Office fit out					
At cost		-	109,643	-	109,643
Accumulated depreciation		-	(94,077)	-	(94,077)
Total office fit out		-	15,566	-	15,566
IT equipment					
Opening balance - Owned		73,550	64,884	73,550	64,884
Under lease		(53,616)	(37,735)	(53,616)	(37,735)
Total IT equipment		19,934	27,149	19,934	27,149
Total property, plant and equipment		3,383,299	422,950	3,383,299	422,950

Notes to the Financial Statements

For the Year Ended 30 June 2023

12 Property, Plant and Equipment (continued)

(a) Movements in carrying amounts of property, plant and equipment

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

	Capital Works in Progress	Leased premises	Office fit out	Motor vehicles	IT equipment	Total
	\$	\$	\$	\$	\$	\$
Consolidated and Company						
Year ended 30 June 2023						
Balance at 30 June 2022	-	217,135	15,566	163,100	27,149	422,950
Additions	200,201	2,919,572	-	190,421	8,666	3,318,860
Depreciation	-	(223,456)	(15,566)	(103,608)	(15,881)	(358,511)
Balance at 30 June 2023	200,201	2,913,251	-	249,913	19,934	3,383,299
Year ended 30 June 2022						
Balance at the beginning of the year	-	439,999	31,132	226,949	43,177	741,257
Additions	-	-	-	42,291	-	42,291
Depreciation	-	(222,864)	(15,566)	(106,140)	(16,028)	(360,598)
Balance at 30 June 2022	-	217,135	15,566	163,100	27,149	422,950

Notes to the Financial Statements

For the Year Ended 30 June 2023

13 Trade and Other Payables

	Note	Consolidated		Company	
		2023	2022	2023	2022
		\$	\$	\$	\$
CURRENT					
Unsecured liabilities					
Trade payables	25	1,976,635	727,622	1,976,635	727,622
Sundry payables and accrued expenses	25	533,722	810,380	533,702	810,360
Superannuation payable	25	86,411	-	86,411	-
Provision for grant repayment	25	47,397	9,719	47,397	9,719
GST payable		119,435	188,815	119,435	188,815
		2,763,600	1,736,536	2,763,580	1,736,516

14 Lease Liabilities

CURRENT					
Lease liabilities		434,922	237,816	434,922	237,816
		434,922	237,816	434,922	237,816
NON-CURRENT					
Lease liabilities		2,374,377	-	2,374,377	-
		2,374,377	-	2,374,377	-

15 Provisions

NON-CURRENT					
Provision for make good		105,000	-	105,000	-
		105,000	-	105,000	-

16 Employee Benefits Provision

CURRENT					
Long service leave		450,808	478,684	450,808	478,684
Annual leave		480,554	397,774	480,554	397,774
Other employee benefits		10,981	9,845	10,981	9,845
		942,343	886,303	942,343	886,303
NON-CURRENT					
Long service leave		110,393	32,085	110,393	32,085

Notes to the Financial Statements

For the Year Ended 30 June 2023

16 Employee Benefits Provision (continued)

	Consolidated		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Movement in employee benefits provision				
Opening balance	918,388	765,379	918,388	765,379
Additional provisions raised during the year	437,840	453,663	437,840	453,663
Amounts used	(314,473)	(300,654)	(314,473)	(300,654)
Closing balance	<u>1,041,755</u>	<u>918,388</u>	<u>1,041,755</u>	<u>918,388</u>

Provision for employee benefits

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

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

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

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

17 Leases

Right-of-use assets

The Group leases a number of office facilities, including car parks under operating leases. The leases typically run for a period of three to five years, with an option to renew the lease after that date. Lease payments are increased every year to reflect market rentals. Some leases provide for additional rent payments that are based on changes in a consumer price index.

Notes to the Financial Statements

For the Year Ended 30 June 2023

17 Leases (continued)

The Group leases IT equipment and small office facilities with contract terms of one to two years. These leases are short-term and/or leases of low value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases as they meet a recognition exemption under AASB 16.

Information about leases for which the Group is a lessee is presented below.

(i) Right-of-use assets

Right-of-use assets relate to leased properties that do not meet the definition of investment property and are presented as property, plant and equipment. Balances and movements in the Right-of-use leased premises asset are disclosed in note 12 (a).

(ii) Amounts recognised in profit or loss

	Note	Consolidated		Company	
		2023	2022	2023	2022
		\$	\$	\$	\$
Interest expense on lease liability		6,902	15,538	6,902	15,538
Expenses relating to short-term leases		17,080	37,936	17,080	37,936
Total		23,982	53,474	23,982	53,474

(iii) Amounts recognised in statement of cash flows

Financing activities

Principal repayments	243,089	224,680	243,089	224,680
	243,089	224,680	243,089	224,680

Operating activities

Expenses relating to short-term leases	17,080	37,936	17,080	37,936
Interest expense on lease liability	6,902	15,538	6,902	15,538
	23,982	53,474	23,982	53,474
Total cash outflow for leases	267,071	278,154	267,071	278,154

Notes to the Financial Statements

For the Year Ended 30 June 2023

18 Reserves

	Note	Consolidated		Company	
		2023	2022	2023	2022
		\$	\$	\$	\$
Community Natural Asset Investment Reserve	18(a)				
Opening balance		1,675,228	1,692,930	1,675,228	1,692,930
Transfer from reserves to retained surplus		(75,922)	(17,702)	(75,922)	(17,702)
		1,599,306	1,675,228	1,599,306	1,675,228
Project Reserve	18(b)				
Opening balance		4,159,693	856,307	4,159,693	856,307
Transfer to reserves from retained surplus		1,652,322	3,303,386	1,652,322	3,303,386
		5,812,015	4,159,693	5,812,015	4,159,693
Strategic Reserve	18(c)				
Opening balance		-	175,000	-	175,000
Transfer from reserves to retained surplus		-	(175,000)	-	(175,000)
		-	-	-	-
Total		7,411,321	5,834,921	7,411,321	5,834,921

(a) Community natural asset investment reserve

The **Community Natural Asset Investment Reserve** funds the protection and enhancement of natural assets in the community. The fund will be used to create a strategic, secure portfolio of landholdings that deliver a suite of ecological services, financial return, and social benefit.

(b) Project reserve

The **Project Reserve** allows for the timing difference in project delivery that results from the variability in projects costs over multi-year projects and the application of accounting standards AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities*.

(c) Strategic reserve

The **Strategic Reserve** provides for implementation of Board identified business priorities that deliver on the strategic plan. Investment was made during FY2022 from this reserve in implementation of the Reconciliation Action Plan (RAP) endorsed in FY2021, and an improved business systems scoped in FY2021 encompassing stakeholder and project management integrated with the finance system. This reserve was fully utilised during FY2022.

Notes to the Financial Statements

For the Year Ended 30 June 2023

19 Retained Earnings

	Note	Consolidated		Company	
		2023	2022	2023	2022
		\$	\$	\$	\$
Retained earnings at the beginning of the financial year		8,383,622	8,293,329	3,450,634	3,422,905
Surplus attributed to members		1,345,075	3,200,977	6,275,136	3,138,413
Transfer to reserves from retained surplus	18	(1,576,400)	(3,110,684)	(1,576,400)	(3,110,684)
Retained earnings at end of the financial year		8,152,297	8,383,622	8,149,370	3,450,634

20 Economic Dependency

The operations of the Company are significantly dependent upon receipts of State and Federal Government funding.

Grant income

Federal Government	4(a)	6,701,213	7,032,725	6,701,213	7,032,725
State Government	4(a)	3,579,673	2,521,735	3,579,673	2,521,735
Local Government	4(a)	415,388	452,106	415,388	452,106
		10,696,274	10,006,566	10,696,274	10,006,566

Membership income

State Government	4(a)	700,000	680,000	700,000	680,000
Local Government	4(a)	1,354,400	1,329,495	1,354,400	1,329,495
Corporate Utilities	4(a)	837,820	1,020,900	837,820	1,020,900
		2,892,220	3,030,395	2,892,220	3,030,395

Notes to the Financial Statements

For the Year Ended 30 June 2023

21 Related Parties

The Group's main related parties are as follows:

Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel. For key management personnel disclosures refer to Note 21.

Other related parties

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

Transactions with related parties

Amounts paid to or received from related parties during the year:

	Consolidated		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Healthy Waterways Ltd	-	-	4,966,000	2,277
Waterways Plus Pty Ltd	-	-	-	42
Amount received from related parties during the year	-	-	4,966,000	2,319

During the financial year, Healthy Waterways Limited provided the Company with an interest free loan of \$4,966,000. Healthy Waterways Limited forgave the loan on 30 June 2023. The impact of this was eliminated on consolidation.

22 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company and the Group is \$ 1,133,123 (2022: \$ 1,068,946).

Notes to the Financial Statements**For the Year Ended 30 June 2023****23 Interests in Subsidiary**

	Principal place of business / Country of Incorporation	Percentage Owned (%)*	Percentage Owned (%)*
		2023	2022
Parent entity			
Healthy Land and Water Ltd			
Subsidiary of Healthy Land and Water Ltd			
Healthy Waterways Ltd	Australia	100	100

24 Capital management

Management controls the capital of the Company to ensure that adequate cash flows are generated to fund its objectives and that returns from investments are maximised. The Risk and Audit Committee ensures that the overall risk management strategy is in line with this objective.

The Risk and Audit Committee operates under policies approved by the Board of the Company. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The Company's capital consists of financial assets supported by financial liabilities.

Management effectively manages the Company's capital by assessing the Company's financial risks and responding to changes in these risks in the market.

Notes to the Financial Statements

For the Year Ended 30 June 2023

25 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, investments, accounts receivable and payable, and lease liabilities.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

Financial assets

Held at amortised cost

- Cash and cash equivalents	8	10,607,680	10,415,101	8,288,733	7,213,958
- Trade and other receivables	9	1,594,593	1,060,367	1,594,593	1,028,502
Long-term deposits	11	225,866	1,833,183	225,866	133,183
Loan receivable from a related party	11	-	-	2,316,000	-

Fair value through profit or loss (FVTPL)

Held-for-trading investment in managed portfolio of trade securities	11	3,577,083	823,275	3,577,083	823,275
- Hybrid bank securities	11	40,000	40,000	40,000	40,000

Total financial assets

16,045,222	14,171,926	16,042,275	9,238,918
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Financial liabilities

Financial liabilities at amortised cost

- Trade and other payables	13	2,644,165	1,547,721	2,644,145	1,547,701
- Contract liabilities	4(d)	89,436	390,033	89,436	390,033
- Lease liabilities	14	2,809,299	237,816	2,809,299	237,816

Total financial liabilities

5,542,900	2,175,570	5,542,880	2,175,550
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Refer to Note 26 for detailed disclosures regarding the fair value measurement of the Group's financial assets.

26 Fair Value

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss.

The Group does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Notes to the Financial Statements

For the Year Ended 30 June 2023

26 Fair Value (continued)

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- the market approach, which uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities;
- the income approach, which converts estimated future cash flows or income and expenses into a single discounted present value; and
- the cost approach, which reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Recurring fair value measurements

	Note	Consolidated		Company	
		2023	2022	2023	2022
		\$	\$	\$	\$
Financial assets at fair value through profit or loss					
- held for trading investment managed portfolio of trade securities (a)	11	3,577,083	823,275	3,577,083	823,275

(a) For investments in the managed portfolio of traded securities, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.

27 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 outstanding obligations of the Company. At 30 June 2023 the total amount that the members are liable to contribute if the Company is wound up is \$ 30 (2022: \$30).

Notes to the Financial Statements

For the Year Ended 30 June 2023

28 Auditors' Remuneration

	Consolidated		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
Remuneration of the auditor				
- auditing the financial statements	31,500	27,000	31,500	27,000
- grant and revenue acquittal	23,000	21,000	23,000	21,000
- other services	8,000	3,000	8,000	3,000
Total	62,500	51,000	62,500	51,000

29 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022:None).

30 Events after the end of the Reporting Period

The financial report was authorised for issue on 13 October 2023 by the Board of Directors.

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

31 Group details

The registered office and principal place of business of the Group is:

Level 11, 240 Queen St
BRISBANE QLD 4000

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 40, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosures; and
 - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company and consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that Healthy Land and Water Ltd 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.

Chair:



Stephen Robertson

Dated this 13th day of October 2023

Independent Auditor's Report to the Members of Healthy Land and Water Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Healthy Land and Water Ltd (the Company and its subsidiaries (the Group)), which comprises the consolidated and company statements of financial position as at 30 June 2023, the consolidated and company statements of profit or loss and other comprehensive income, consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Healthy Land and Water 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 Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements 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 Group in accordance with the ethical requirements of the Accounting Professional & 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's financial report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Advisory. Tax. Audit.

Independent Auditor's Report to the Members of Healthy Land and Water Ltd (continued)

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

**Independent Auditor's Report to the Members of Healthy Land and Water Ltd
(continued)**

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nexia Brisbane Audit Pty Ltd

Nexia Brisbane Audit Pty Ltd

AM Roberston

AM Roberston

Director

Level 28, 10 Eagle Street
Brisbane, QLD, 4000

Date: 13 October 2023

