National Parks Association of QLD Inc

ABN 60 206 792 095

Financial Report

For the year ended
30 June 2021

2021

Contents

Your Council presents this report on the Association for the financial year ended 30 June 2021.

Council

The names of the councillors in office at any time during or since the year are:

- Graeme Bartrim – President (Resigned 23 Sep 2020)
- Susanne Cooper – President (Accepted 23 Sep 2020)
- Yvonne Parsons – Vice President/ Assistant Honorary Secretary (Resigned 23 Sep 2020)
- David Ball – Vice President (Accepted 13 Jan 2021)
- Neil Williams – Honorary Treasurer (Resigned 23 Sep 2020)
- Clare Birnie – Honorary Treasurer (Accepted 23 Sep 2020)
- Andrew Thompson – Honorary Assistant Treasurer (Accepted 23 Sep 2020)
- Jackie Rose Meyer – Honorary Secretary
- Debra Marwedel – Assistant Honorary Secretary (Resigned 23 Sep 2020)
- Cara-lee Wiese – Assistant Honorary Secretary (Accepted 23 Sep 2020)
- Julie Hainsworth – Councillor
- Simon Cavendish - Councillor (Accepted 23 Sep 2020)
- John Dornbusch – Councillor (Accepted 23 Sep 2020)
- Colleen Thornton – Councillor (Resigned 23 Sep 2020)
- Steven Noakes – Councillor (Accepted 14 Dec 2020)
- Emily Griffiths – Councillor (Accepted 28 Jan 2021)
- Nicole Jordan – Councillor (Accepted 19 Apr 2021)

Review of Operations

The surplus of the Association for the financial year is $29,029 (2020: reported a surplus of $17,143). A review of operations of the Association during the year found that the Association continued to engage in its principal activity the results of which are disclosed in the attached financial statements.

Significant Changes in State of Affairs

No significant changes in the Association's state of affairs occurred during the financial year.

Principal Activity

The principal activity of the Association during the financial year was to act as a non-profit Association promoting preservation, expansion and good management of national parks and other forms of protected areas in Queensland.

Events Subsequent to the End of the Reporting Period

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

This council's report is signed in accordance with a resolution of the council:

Treasurer	Clare Currie	dated this	18	day of	July	2021
President		dated this	14	day of	July	2021

STATEMENT OF PROFIT OF LOSS

FOR THE YEAR ENDED 30 JUNE 2021

	2021 $	2020 $
REVENUE		
Members Contributions	12,810	17,103
Investment Income	51,860	72,584
Profit on sale of investments	-	15,440
Donations and Fundraising	19,852	59,223
Grants	2,000	10,355
Bequests	51,006	-
Other Income	49,800	33,744
TOTAL REVENUE	187,328	208,449
EXPENSES		
Members Expenses	(1,125)	(822)
Core Focus Expenditure	(4,355)	(26,032)
Administration Expenses	(29,757)	(33,234)
Fundraising Expenses	(1,517)	(5,899)
Depreciation Expenditure	(5,102)	(4,892)
Employment Expenses	(105,992)	(110,970)
Property Expenses	(8,343)	(9,457)
Loss on sale of investments	(2,108)	-
TOTAL EXPENSES	(158,299)	(191,306)
Surplus/ (deficit) before income tax	29,029	17,143
Income tax expense	-	-
Surplus/ (deficit) after income tax	29,029	17,143
Unrealized loss/gain on Financial Assets	270,991	(109,327)
Total Other Comprehensive Income	270,991	(109,327)
Total Comprehensive Income	300,020	(92,184)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

ASSETS	Note	2021 $	2020 $
CURRENT ASSETS			
Cash and cash equivalents		170,748	26,688
Trade and other receivables	2	13,374	24,747
Inventories		1,014	1,857
Prepayments – Body Corporate Fees		2,040	3,693
TOTAL CURRENT ASSETS		187,176	56,985
NON-CURRENT ASSETS			
Financial assets	3	1,170,702	1,002,520
Property, plant and equipment	4	109,334	110,116
TOTAL NON-CURRENT ASSETS		1,280,036	1,112,636
TOTAL ASSETS		1,467,212	1,169,621
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		5,854	3,473
Provisions	5	5,312	9,412
TOTAL CURRENT LIABILITIES		11,166	12,885
NON-CURRENT LIABILITIES			
Provisions	5	1,918	2,628
TOTAL NON-CURRENT LIABILITIES		1,918	2,628
TOTAL LIABILITIES		13,084	15,513
NET ASSETS		1,454,128	1,154,108
EQUITY			
Retained earnings		696,413	667,384
General Financial Reserve		596,051	596,051
Financial Asset Reserve		161,664	(109,327)
TOTAL EQUITY		1,454,128	1,154,108

The accompanying notes form part of these financial statements.

	Financial Asset Reserve $	General Financial Reserve $	Retained Surplus $	Total $
Balance at 1 July 2019	-	596,051	650,241	1,246,292
Surplus/ (deficit) for the year	-	-	17,143	17,143
Balance at 30 June 2020	(109,327)	596,051	667,384	1,154,108
Balance at 1 July 2020	(109,327)	596,051	667,384	1,154,108
Surplus/ (deficit) for the year	-	-	29,029	29,029
Other comprehensive income for the year	270,991	-	-	270,991
Balance at 30 June 2021	161,664	596,051	696,413	1,454,128

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 JUNE 2021

	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	208,950	191,788
Payments to suppliers and employees	(165,590)	(234,445)
Net cash provided by / (used in) operating activities	43,360	(42,657)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	-	-
Proceeds from sale of property, plant and equipment	-	-
Payments for purchase of investments	-	(332,044)
Proceeds from sale of investments	100,700	73,079
Net cash provided by / (used in) investing activities	100,700	(258,965)
Net increase / (decrease) in cash held	144,060	(301,622)
Cash at beginning of financial year	26,688	328,310
Cash at end of financial year	170,748	26,688

The accompanying notes form part of these financial statements.

1. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-Profits Commission Act 2012. The council has determined that the Association is not a reporting entity.

The financial statements have been prepared on an accruals basis on historical costs. They do not take into account changing money values, or except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period, unless stated otherwise, have been adopted in the preparation of the financial statements.

Accounting Policies

(a) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

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

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

Revenue from members contributions/subscriptions are recognised on a straight line basis over the financial year.

Other income is recognised on an accruals basis when the Association is entitled to it.

(b) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

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

(c) Property, Plant and Equipment

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

Freehold property

Freehold land and buildings are shown at cost, less subsequent depreciation and impairment loss.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note1(d) for details of impairment).

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

Depreciation

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

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

Class of Fixed Asset	**Depreciation Rate**
Buildings	2.5%
Plant and equipment	5% to 50%

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

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

(d) Financial Instruments

Initial recognition and measurement

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

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

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

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

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

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

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

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

A financial liability is held for trading if it is:

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

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

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

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income. A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

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

On the basis of the two primary criteria:

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

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

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

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

Equity instruments

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

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

Derecognition

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

Derecognition of financial liabilities

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

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

Derecognition of financial assets

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

All 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 Company no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

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

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

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

Impairment

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

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

Loss allowance is not recognised for:

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

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

The Company uses the following approach to impairment, as applicable under AASB 9:

- the simplified approach;

Simplified approach

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

This approach is applicable to:

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

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

Recognition of expected credit losses in financial statements

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

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

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

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

Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset’s fair value less costs of disposal and value in use, to the asset’s carrying amount. Any excess of the asset’s carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(e) Short-term employee benefits

Provision is made for the Association's obligation for 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 annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) Goods and Services Tax (GST)

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

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

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

(h) Income Tax

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

(i) Comparative Figures

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

(j) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. 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.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) 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 Association 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.

(l) Critical Accounting Estimates and Judgements

The councillors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

		Note	2021 $	2020 $
2.	TRADE AND OTHER RECEIVABLES			
	Current			
	Imputation & franking credits receivable		12,346	17,285
	ATO Debtor		-	7,462
	Net GST		1,028	-
			13,374	24,747
3.	Financial Assets			
	Non-current			
	Investments at fair value through OCI		1,147,945	977,586
	NPAQ Perpetual Fund at fair value through OCI		22,758	24,934
			1,170,703	1,002,520
4.	Property, Plant and Equipment			
	Land and Buildings			
	Land at Cost		56,000	56,000
	Building at Cost		83,354	83,354
	Less accumulated depreciation		(36,467)	(34,383)
	Total land and buildings at cost		102,887	104,971
	Plant and Equipment			
	Furniture and equipment:			
	At cost		63,923	59,603
	Less accumulated depreciation		(57,476)	(54,458)
	Total plant and equipment		6,447	5,145
	Total property, plant and equipment		109,334	110,116

5.	Provisions			
	Current			
	Provision for employee benefits: annual leave, TOIL		5,312	9,412
	Non-current			
	Provision for employee benefits: long service leave		1,918	2,628
			7,230	12,040

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 Association 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 Association 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. The measurement and recognition criteria for employee benefits have been discussed in Note 1(e).

STATEMENT BY COUNCIL MEMBERS

FOR THE YEAR ENDED 30 JUNE 2021

In the opinion of the council, the financial report:

1. Presents a true and fair view of the financial position of National Parks Association of Queensland Inc as at 30 June 2021 and its performance for the year ended on that date in accordance with Australian Accounting Standards, Australian Accounting Interpretation and other authoritative pronouncements of the Australian Accounting Standards Board.

2. At the date of this statement, there are reasonable grounds to believe that National Parks Association of Queensland Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Council and is signed for and on behalf of the Council by:

Treasurer ______ dated this 18 day of July 2021

President ______ dated this 14th day of July 2021

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