

Accounting for Nature Limited

ACN 629 446 493

Financial Statements - 30 June 2021

Accounting for Nature Limited
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For the year ended 30 June 2021

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To the Board of Directors of Accounting for Nature Limited**Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of Accounting for Nature Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Nexia Sydney Audit Pty Ltd**Vishal Modi**

Director

Dated this 8th day of December 2021

Accounting for Nature Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

| | Note | 2021 \$ | 2020 \$ |
|--|-------------|--------------------------|--------------------------|
| Revenue | | | |
| Revenue | 4 | 539,179 | 508,909 |
| Expenses | | | |
| Employee benefits expense | | (391,111) | (146,538) |
| Bank charges | | (264) | (264) |
| Advertising | | (118) | - |
| Consulting and professional fees | | (126,784) | (159,323) |
| Donations | | - | (2,500) |
| Entertainment | | (2,032) | (2,118) |
| Insurance | | (8,796) | (4,233) |
| Office expenses | | (8,403) | (8,036) |
| Subscriptions | | (5,878) | (2,823) |
| Travel | | (25,175) | (24,428) |
| Workshop expenses | | (2,631) | (6,922) |
| Other expenses | | (8,080) | (6,188) |
| Surplus/(deficit) before income tax expense | | (40,093) | 145,536 |
| Income tax expense | | - | - |
| Surplus/(deficit) after income tax expense for the year | | (40,093) | 145,536 |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year | | <u>(40,093)</u> | <u>145,536</u> |

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

Accounting for Nature Limited
Statement of financial position
As at 30 June 2021

| | Note | 2021 \$ | 2020 \$ |
|-----------------------------|-------------|--------------------------|--------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 148,250 | 196,025 |
| Trade and other receivables | 6 | 87,150 | 36,518 |
| Total current assets | | <u>235,400</u> | <u>232,543</u> |
| Total assets | | <u>235,400</u> | <u>232,543</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 7 | 63,445 | 37,110 |
| Employee benefits | 8 | 27,015 | 10,400 |
| Total current liabilities | | <u>90,460</u> | <u>47,510</u> |
| Total liabilities | | <u>90,460</u> | <u>47,510</u> |
| Net assets | | <u>144,940</u> | <u>185,033</u> |
| Equity | | | |
| Retained earnings | | <u>144,940</u> | <u>185,033</u> |
| Total equity | | <u>144,940</u> | <u>185,033</u> |

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

Accounting for Nature Limited
Statement of changes in equity
For the year ended 30 June 2021

| | Retained Earnings \$ | Total equity \$ |
|---|-------------------------------------|----------------------------|
| Balance at 1 July 2019 | 39,497 | 39,497 |
| Surplus after income tax expense for the year | 145,536 | 145,536 |
| Other comprehensive income for the year, net of tax | - | - |
| Total comprehensive income for the year | <u>145,536</u> | <u>145,536</u> |
| Balance at 30 June 2020 | <u>185,033</u> | <u>185,033</u> |
| | Retained Earnings \$ | Total equity \$ |
| Balance at 1 July 2020 | 185,033 | 185,033 |
| Deficit after income tax expense for the year | (40,093) | (40,093) |
| Other comprehensive income for the year, net of tax | - | - |
| Total comprehensive income for the year | <u>(40,093)</u> | <u>(40,093)</u> |
| Balance at 30 June 2021 | <u>144,940</u> | <u>144,940</u> |

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

Accounting for Nature Limited
Statement of cash flows
For the year ended 30 June 2021

| | Note | 2021 \$ | 2020 \$ |
|--|-------------|--------------------------|--------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 481,604 | 499,396 |
| Payments to suppliers (inclusive of GST) | | (580,104) | (368,902) |
| Donations received | | 26,275 | 30,000 |
| Government stimulus received | | 24,450 | 13,000 |
| | | <u> </u> | <u> </u> |
| Net cash from/(used in) operating activities | 12 | <u>(47,775)</u> | <u>173,494</u> |
| Cash flows from investing activities | | <u> </u> | <u> </u> |
| Net cash from investing activities | | <u>-</u> | <u>-</u> |
| Cash flows from financing activities | | <u> </u> | <u> </u> |
| Net cash from financing activities | | <u>-</u> | <u>-</u> |
| Net increase/(decrease) in cash and cash equivalents | | (47,775) | 173,494 |
| Cash and cash equivalents at the beginning of the financial year | | <u>196,025</u> | <u>22,531</u> |
| Cash and cash equivalents at the end of the financial year | 5 | <u><u>148,250</u></u> | <u><u>196,025</u></u> |

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

Accounting for Nature Limited
Notes to the financial statements
For the year ended 30 June 2021

1. General information

The financial statements cover Accounting for Nature Limited as an individual entity. The financial statements are presented in Australian dollars, which is Accounting for Nature Limited's functional and presentation currency.

Accounting for Nature Limited is a not-for-profit entity, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 8 December 2021.

2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

2. Significant accounting policies (continued)

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established. Donations are recognised as revenue when received

Income tax

The Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

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

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

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

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

2. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2021. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

4. Revenue

| | 2021 | 2020 |
|-------------------------------------|----------------|----------------|
| | \$ | \$ |
| Rendering of services | 477,254 | 431,069 |
| Donations | 26,275 | 30,000 |
| Government Stimulus | 24,450 | 47,840 |
| SAC Method Accreditation Review Fee | 11,200 | - |
| | <u>539,179</u> | <u>508,909</u> |

5. Cash and cash equivalents

| | 2021 | 2020 |
|--------------------------|----------------|----------------|
| | \$ | \$ |
| Cash at bank and in hand | <u>148,250</u> | <u>196,025</u> |

Accounting for Nature Limited
Notes to the financial statements
For the year ended 30 June 2021

6. Trade and other receivables

| | 2021 | 2020 |
|-------------------|---------------|---------------|
| | \$ | \$ |
| Trade receivables | 87,150 | - |
| Other receivables | - | 36,518 |
| | <u>87,150</u> | <u>36,518</u> |

7. Trade and other payables

| | 2021 | 2020 |
|--------------------------------------|---------------|---------------|
| | \$ | \$ |
| GST payable | 22,112 | 11,184 |
| Sundry payables and accrued expenses | 41,333 | 25,926 |
| | <u>63,445</u> | <u>37,110</u> |

8. Employee benefits

| | 2021 | 2020 |
|--------------|---------------|---------------|
| | \$ | \$ |
| Annual leave | <u>27,015</u> | <u>10,400</u> |

9. Members' Guarantee

The Company is incorporated under the Australian Charities and Not-for-profits Commission Act 2012 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required contribute a maximum \$10 each towards meeting any outstandings and obligations of the Company. At 30 June 2021 the number of members was 8 (2020: 9)

10. Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2021 (2020: None).

11. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the company up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Accounting for Nature Limited
Notes to the financial statements
For the year ended 30 June 2021

12. Reconciliation of surplus/(deficit) after income tax to net cash from/(used in) operating activities

| | 2021 | 2020 |
|---|-----------------|----------------|
| | \$ | \$ |
| Surplus/(deficit) after income tax expense for the year | (40,093) | 145,536 |
| Change in operating assets and liabilities: | | |
| Increase in trade and other receivables | (50,630) | (4,528) |
| Increase in trade and other payables | 26,333 | 22,086 |
| Increase in other provisions | 16,615 | 10,400 |
| | <u>(47,775)</u> | <u>173,494</u> |
| Net cash from/(used in) operating activities | <u>(47,775)</u> | <u>173,494</u> |

13. Statutory Information

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

Accounting for Nature Limited
 Bennelong Office Auites Suite 4
 3B Macquarie Street
 Sydney, NSW 2000

Accounting for Nature Limited
Directors' declaration
For the year ended 30 June 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the directors



Adrian Ward

8 Dec 2021 2021

Independent Auditor's Report to the Members of Accounting for Nature Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Accounting for Nature Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement 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 the Company is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Company 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.

Directors' responsibility 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 - Reduced Disclosure Requirements 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 Company'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 Company or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Nexia Sydney Audit Pty Ltd



Vishal Modi

Director

Dated this 9th day of December 2021