

Native ARC Incorporated

ABN 83 275 625 469

Special Purpose Financial Report - 30 June 2023

Native ARC Incorporated
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General information

The financial statements cover Native ARC Incorporated as an individual entity. The financial statements are presented in Australian dollars, which is Native ARC Incorporated's functional and presentation currency.

Native ARC Incorporated is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

172 Hope Road, BIBRA LAKE WA 6163

A description of the nature of the incorporated association's operations and its principal activities are included in the Committee members' report, which is not part of the financial statements.

The financial statements were authorised for issue on 20/01/2024

Native ARC Incorporated Committee members' report 30 June 2023

The Committee members present their report, together with the financial statements, on the incorporated association for the year ended 30 June 2023.

Committee members

The following persons were Committee members of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Robert Dunn (Chairman)	
Diane Munrowd (Secretary)	
Jeyarajasingham Jeyabalan (Interim Treasurer)	(11 June 2022 to 10 October 2022)
Douglas West (Treasurer)	(23 October 2022)
Sue Henderson	
Dean Huxley	
Anne Bellamy	
James Clarke	(24 October 2022)
Pauline Mealor	

Principal activities

Native ARC Inc. trading as WA Wildlife is a non-profit wildlife veterinary hospital and rehabilitation facility specialising in wildlife treatment, rescue, rehabilitation and environmental education.

The Hospital admits wildlife from a variety of sources including the public, veterinary clinics, local Rangers, Wildlife Officers and other wildlife rescue/rehabilitation organisations.

Native ARC provides ongoing information, education and training opportunities to the community, educational institutions (primary, secondary and tertiary), small business and corporates to encourage changes in behaviour towards the environment.

Native ARC inc. is a registered charity, license number 21503, licensed in Western Australia under the Charitable Collections Act 1946.

Significant changes

No significant change in the nature of these activities occurred during the year, however redevelopment of the WA Wildlife Hospital and the Training & Education Building (funded by City of Cockburn) continued. Funding for the fit out of both facilities was secured through Lotterywest with fit-out completion expected by the end of 30 March 2024.

Increased patients admitted to the WA Wildlife Hospital (6500+ in 2022 calendar year) has increased HR and other operational costs (increase in paid veterinarians). The second Op Shop store opened June 2023.

Operating result

Although the surplus for the year ended 30 June 2023 was \$183,813, this was after recognising \$356,821 of grant income on commissioning of the assets that this grant funded. These assets will be used over multiple years.

Depreciation expenses for these assets (together with other significant investment in assets in the last two years in order to fit-out the Wildlife Hospital) will show in the accounts as depreciation expense over multiple future years (depending on the useful life of the respective assets). The adjusted deficit after accounting for the 2022-23 capital purchases is \$173,009 (\$183,813 less \$356,821).

Grant income is typically sourced through collaborations with business partners for specific purpose projects such as asset acquisition, capital works or business development programs.

Revenue from other sources including fundraising, donations and education provides the financial coverage to support day to day running costs of the core rescue and rehabilitation activities of WA Wildlife.

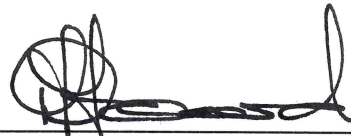
Native ARC Incorporated
Committee members' report
30 June 2023

On behalf of the Committee members



Robert Dunn
Chairman

Date: 20/1/24



Diane Munrowd
Secretary

Date: 20/1/24

Native ARC Incorporated
Committee members' declaration
30 June 2023

In the Committee members' opinion:

- the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and Western Australian legislation the Associations Incorporation Act 2015, the Charitable Collections Act 1946 and associated regulations;
- the attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the Committee



Robert Dunn
Chairman

Date: 20/1/24



Diane Munrowd
Secretary

Date: 20/1/24

Native ARC Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue			
Grant Income		530,049	365,531
Fee for service		152,807	178,163
Lease income		-	163,776
Donations and Fundraising		217,549	153,631
Other income		14,025	7,842
Total revenue		<u>914,430</u>	<u>868,943</u>
Expenses			
Fundraising		(8,613)	(5,404)
Service provision expenses (excl. Depreciation)		(241,769)	(239,537)
Depreciation	3	(152,859)	(120,727)
Administration		(115,627)	(28,523)
Employee benefits expense		(568,570)	(404,918)
Total expenses		<u>(1,087,438)</u>	<u>(799,109)</u>
Operating surplus/(deficit)		(173,008)	69,834
Capital grants	4	<u>356,821</u>	<u>644,457</u>
Surplus for the year		183,813	714,291
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>183,813</u></u>	<u><u>714,291</u></u>

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

Native ARC Incorporated
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	5	950,323	561,470
Trade and other receivables	6	27,111	133,213
Other	8	-	5,304
Total current assets		<u>977,434</u>	<u>699,987</u>
Non-current assets			
Trade and other receivables	6	10,000	-
Property, plant and equipment	9	1,257,577	994,920
Right-of-use assets	7	184,107	153,493
Total non-current assets		<u>1,451,684</u>	<u>1,148,413</u>
Total assets		<u>2,429,118</u>	<u>1,848,400</u>
Liabilities			
Current liabilities			
Trade and other payables	10	106,432	193,837
Lease liabilities	11	18,089	-
Provisions	12	97,621	66,886
Other	13	678,786	264,664
Total current liabilities		<u>900,928</u>	<u>525,387</u>
Non-current liabilities			
Lease liabilities	11	25,135	-
Provisions	12	-	3,771
Total non-current liabilities		<u>25,135</u>	<u>3,771</u>
Total liabilities		<u>926,063</u>	<u>529,158</u>
Net assets		<u>1,503,055</u>	<u>1,319,242</u>
Equity			
Retained surpluses		<u>1,503,055</u>	<u>1,319,242</u>
Total equity		<u>1,503,055</u>	<u>1,319,242</u>

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

Native ARC Incorporated
Statement of changes in equity
For the year ended 30 June 2023

	Reserves \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2021	97,738	507,213	604,951
Surplus for the year	-	714,291	714,291
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	714,291	714,291
Transfer from reserves	(97,738)	97,738	-
Balance at 30 June 2022	-	1,319,242	1,319,242
	Reserves \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2022	-	1,319,242	1,319,242
Surplus for the year	-	183,813	183,813
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	183,813	183,813
Balance at 30 June 2023	-	1,503,055	1,503,055

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

Native ARC Incorporated
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,367,353	1,008,722
Payments to suppliers and employees (inclusive of GST)		<u>(575,593)</u>	<u>(749,744)</u>
Net cash from operating activities	17	<u>791,760</u>	<u>258,978</u>
Cash flows from investing activities			
Payments for property, plant and equipment	9	<u>(399,573)</u>	<u>(823,566)</u>
Net cash used in investing activities		<u>(399,573)</u>	<u>(823,566)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(3,334)</u>	-
Net cash used in financing activities		<u>(3,334)</u>	-
Net increase/(decrease) in cash and cash equivalents		388,853	(564,588)
Cash and cash equivalents at the beginning of the financial year		<u>561,470</u>	<u>1,126,058</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>950,323</u></u>	<u><u>561,470</u></u>

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

Native ARC Incorporated
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the incorporated association.

The following Accounting Standards and Interpretations are most relevant to the incorporated association:

AASB 16 Leases

The association adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory, and which were applicable to its operations.

Basis of preparation

In the Committee members' opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and Western Australian legislation the Associations Incorporation Act 2015, the Charitable Collections Act 1946 and associated regulations. The Committee members have determined that the accounting policies adopted are appropriate to meet the needs of the members of Native ARC Incorporated.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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 incorporated association'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 2.

Revenue recognition

The incorporated association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: 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.

Native ARC Incorporated
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

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.

Grant

Grant revenue is recognised in profit or loss when the incorporated association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the incorporated association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Rendering of services

Revenue from a contract to provide services is recognised upon the delivery of the service to the customer.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

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

Income tax

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

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 incorporated association'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 incorporated association'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.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Native ARC Incorporated
Notes to the financial statements
30 June 2023

Note 1. Significant accounting policies (continued)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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 incorporated association for the annual reporting period ended 30 June 2023. The incorporated association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. 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. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The incorporated association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Native ARC Incorporated
Notes to the financial statements
30 June 2023

Note 3. Depreciation

	2023	2022
	\$	\$
Buildings	16,093	22,321
Plant and equipment	108,658	74,211
Software	8,484	9,664
Vehicles	3,681	4,248
ROU asset	15,943	10,283
	<u>152,859</u>	<u>120,727</u>

Note 4. Capital grants

Revenue recognised on commissioning of assets (funded by LotteryWest, SPCA International and National Parks & Wildlife Grants)

	2023	2022
	\$	\$
Capital grants	<u>356,821</u>	<u>644,457</u>

Note 5. Cash and cash equivalents

	2023	2022
	\$	\$
<i>Current assets</i>		
Cash on hand	657	256
Cash at bank	862,901	474,449
Cash on deposit	86,765	86,765
	<u>950,323</u>	<u>561,470</u>

Accounting policy for 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.

Native ARC Incorporated
Notes to the financial statements
30 June 2023

Note 6. Trade and other receivables

	2023 \$	2022 \$
Current assets		
Trade receivables	27,111	58,667
BAS receivable	-	74,546
	<u>27,111</u>	<u>133,213</u>
Non-current assets		
Other receivables	<u>10,000</u>	<u>-</u>
	<u><u>37,111</u></u>	<u><u>133,213</u></u>

Accounting policy for 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 incorporated association 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.

Note 7. Right-of-use assets

	2023 \$	2022 \$
Non-current assets		
Leasehold improvements - right-of-use	210,335	163,776
Less: Accumulated depreciation	<u>(26,228)</u>	<u>(10,283)</u>
	<u><u>184,107</u></u>	<u><u>153,493</u></u>

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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

The incorporated association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Native ARC Incorporated
Notes to the financial statements
30 June 2023

Note 8. Other

	2023 \$	2022 \$
Current assets		
Prepayments	-	5,304

Note 9. Property, plant and equipment

	2023 \$	2022 \$
Non-current assets		
Buildings - at cost	324,630	191,099
Less: Accumulated depreciation	(124,423)	(108,330)
	<u>200,207</u>	<u>82,769</u>
 Plant and equipment - at cost	 1,182,977	 996,148
Less: Accumulated depreciation	(275,494)	(166,836)
	<u>907,483</u>	<u>829,312</u>
 Motor vehicles - at cost	 75,656	 75,656
Less: Accumulated depreciation	(42,524)	(38,842)
	<u>33,132</u>	<u>36,814</u>
 Software - at cost	 137,697	 58,483
Less: Accumulated depreciation	(20,942)	(12,458)
	<u>116,755</u>	<u>46,025</u>
	<u><u>1,257,577</u></u>	<u><u>994,920</u></u>

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Buildings	10%-25%
Plant and equipment	20%-33%
Software	10%
Vehicle	20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Native ARC Incorporated
Notes to the financial statements
30 June 2023

Note 10. Trade and other payables

	2023 \$	2022 \$
<i>Current liabilities</i>		
Trade payables	54,883	75,790
Grant in advance - Lottery West	-	53,603
BAS payable	51,062	-
Other payables	487	64,444
	<u>106,432</u>	<u>193,837</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association 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.

Note 11. Lease liabilities

	2023 \$	2022 \$
<i>Current liabilities</i>		
Lease liability	<u>18,089</u>	-
<i>Non-current liabilities</i>		
Lease liability	<u>25,135</u>	-
	<u>43,224</u>	-

Accounting policy for lease liabilities

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

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

Native ARC Incorporated
Notes to the financial statements
30 June 2023

Note 12. Provisions

	2023 \$	2022 \$
<i>Current liabilities</i>		
Annual leave	66,424	47,414
Long service leave	14,908	19,472
Superannuation	16,289	-
	<u>97,621</u>	<u>66,886</u>
<i>Non-current liabilities</i>		
Long service leave	-	3,771
	<u>97,621</u>	<u>70,657</u>

Accounting policy for provisions

Provisions are recognised when the incorporated association has a present (legal or constructive) obligation as a result of a past event, it is probable the incorporated association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Accounting policy for 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.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 13. Other

	2023 \$	2022 \$
<i>Current liabilities</i>		
Accrued expenses	19,375	22,705
Revenue received in advance	659,411	241,959
	<u>678,786</u>	<u>264,664</u>

Native ARC Incorporated
Notes to the financial statements
30 June 2023

Note 14. Key management personnel disclosures

The compensation made to senior officers of the Incorporated association is set out below (including Superannuation). Management salaries are funded through a Grant from the City of Cockburn. No compensation was paid to any other committee member of the association:

	2023	2022
	\$	\$
Director of Operations: Dean Huxley	70,275	70,184
CEO: Diane Munrowd	22,020	22,230
Executive Committee Member: Sue Henderson	-	2,107
	<u>92,295</u>	<u>94,521</u>

Note 15. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Australian Audit, the auditor of the incorporated association:

	2023	2022
	\$	\$
<i>Audit services - Australian Audit</i>		
Audit of the financial statements	<u>3,800</u>	<u>3,200</u>
<i>Other services - Australian Audit</i>		
preparation of financial statements	<u>1,700</u>	<u>1,250</u>
	<u>5,500</u>	<u>4,450</u>

Note 16. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

Native ARC Incorporated
Notes to the financial statements
30 June 2023

Note 17. Reconciliation of surplus to net cash from operating activities

	2023	2022
	\$	\$
Surplus for the year	183,813	714,291
Adjustments for:		
Depreciation and amortisation	152,860	120,727
Payment for leasing	-	(163,779)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	96,102	(98,111)
Decrease in other operating assets	5,303	-
Decrease in trade and other payables	(85,029)	(588,382)
Increase in other provisions	26,964	26,568
Increase in other operating liabilities	411,747	247,664
Net cash from operating activities	<u>791,760</u>	<u>258,978</u>

DIRECTORS:

ROBERT CAMPBELL RCA, CA

VIRAL PATEL RCA, CA

ALASTAIR ABBOTT RCA, CA

CHASSEY DAVIDS RCA, CA

**AUSTRALIAN
AUDIT**



ASSOCIATE DIRECTOR:

SANTO CASILLI FCPA PFIIA

AUDITOR'S INDEPENDENCE DECLARATION

To the Management Committee of Native Arc Inc.

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 and section 80 of the Associations Incorporation Act 2015 (WA), in relation to our audit of the financial report of Native Arc Inc. for the year ended 30 June 2023, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b. No contraventions of the auditor independence requirements of the *Associations Incorporation Act 2015 (WA)* in relation to the audit; and
- c. No contraventions of any applicable code of professional conduct in relation to the audit

DocuSigned by:

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Alastair Abbott, CA, RCA, MAICD, M. Forensic Accounting

Registered Company Auditor number 486826

Director

Australian Audit

Perth, Western Australia

Date: 23 January 2024

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ROBERT CAMPBELL RCA, CA
VIRAL PATEL RCA, CA
ALASTAIR ABBOTT RCA, CA
CHASSEY DAVIDS RCA, CA

AUSTRALIAN
AUDIT

ASSOCIATE DIRECTOR:

SANTO CASILLI FCPA PFIIA

INDEPENDENT AUDITOR'S REPORT

To the members of Native Arc Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Native Arc Inc. (the entity), which comprises the statement of financial position as at 30 June 2023, 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 has been prepared in accordance with requirements of the Associations Incorporation Act 2015 (WA) and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act), including:

- a. giving a true and fair view of the entity's financial position as at 30 June 2023, and of its financial performance and its cash flows for the year then ended; and
- b. complying with Australian Accounting Standards to the extent described in Note 1, 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 entity in accordance with the Associations Incorporation Act 2015 (WA), the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

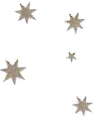
Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the entity to meet the requirements of the ACNC Act and the Associations Incorporation Act 2015 (WA). As

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a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and The Management Committee for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards to the extent described in Note 1, the ACNC Act 2012 and the Associations Incorporation Act 2015 (WA). The responsibility of Management also includes such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Management Committee are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 entity'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 entity 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.



We communicate with the Management Committee 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the entity has complied with 60-30(3)(b), (c) and (d) of the ACNC Act and 82(1)(b), (c) and (d) of the Associations Incorporation Act 2015 (WA):

- a. by providing us with all information, explanation and assistance necessary for the conduct of the audit;
- b. by keeping financial records sufficient to enable a financial report to be prepared and audited;
- c. by keeping other records required by Part 3-2 of the ACNC Act, including those records required by Section 50-5 that correctly record its operations, so as to enable any recognised assessment activity to be carried out in relation to the entity; and
- d. by keeping other records required by Part 5 of the *Associations Incorporation Act 2015 (WA)*, including those records required by Section 66 that correctly record its operations, so as to enable true and fair financial statements to be prepared.

DocuSigned by:

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Alastair Abbott, CA, RCA, MAICD, M. Forensic Accounting

Registered Company Auditor number 486826

Director

Australian Audit

Perth, Western Australia

Date: 23 January 2024

