

# **National Association for Sustainable Agriculture Australia Limited and Controlled Entity**

**ABN 85 003 260 348**

**Annual Report - 30 June 2021**

**National Association for Sustainable Agriculture Limited and Controlled Entity**  
**Directors' report**  
**30 June 2021**

The directors present their report, together with the financial statements, on the consolidated group for the year ended 30 June 2021.

**Directors**

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

Tim Marshall – Chair	(Term started 30 October 2020)
Phil Rowe	
Liz Pitcher	
Phil Sutherland	
Mark Anderson	(Term started 30 October 2020)
Glenn Schaub	(Term ended 30 October 2020)

**Company secretary**

Leanne Mastus has held the role of Company Secretary since March 2016 to February 2021. Alexandra Mitchell is current registered as the Company Secretary from February 2021.

**Operating result**

The surplus for the consolidated entity for the financial year after providing for income tax amounted to \$166,676 (2020: \$309,353).

**Review of operations**

During the year the company continued to provide services in regard to agricultural education and management of organic standards.

**Significant changes in the state of affairs**

No significant changes in the state of affairs of the consolidated entity occurred during the financial year.

**Principal activities**

The principal activity of the consolidated group during the financial year was the organic certification of producers, processors, wholesalers, retailers, importers, exporters and packers.

No significant change in the nature of these activities occurred during the year.

**Matters subsequent to the end of the financial year**

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

**Environmental regulation**

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Dividends**

No dividends have been paid or declared since the start of the financial year.

**Shares under option**

There were no unissued ordinary shares of National Association for Sustainable Agriculture Limited and NASAA Certified Organic Pty Ltd under option outstanding at the date of this report.

**Shares issued on the exercise of options**

There were no ordinary shares of National Association for Sustainable Agriculture Limited and NASAA Certified Organic Pty Ltd issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

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**Directors' report**  
**30 June 2021**

**Meetings of directors**

The number of Directors' meetings and the number of meetings attended by each director during the year were:

	Attended	Held
Tim Marshall - Chair	5	7
Phil Rowe	7	7
Liz Pitcher	7	7
Phil Sutherland	6	4
Mark Anderson	5	7
Glenn Schaubé	2	7

**Indemnity and insurance of officers**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the consolidated group, other than Directors and Officers insurance premiums paid on behalf of the consolidated group as a whole.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Tim Marshall  
Chair

Dated this 22nd day of October 2021  
Townsville

**To the Directors of the National Association for Sustainable Agriculture Limited and Controlled Entity**

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 the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF Adelaide



Steven A Russo CA, RCA

Partner

Lvl 9, 81 Flinders Street, Adelaide SA

Dated this 22<sup>nd</sup> Day of October 2021

**National Association for Sustainable Agriculture Limited and Controlled Entity**  
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**General information**

The financial statements cover National Association for Sustainable Agriculture Limited and NASAA Certified Organic Pty Limited as a consolidated group. The financial statements are presented in Australian dollars, which is National Association for Sustainable Agriculture Limited's functional and presentation currency.

National Association for Sustainable Agriculture Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered office**

Unit 7, 3-5 Mt Barker Road  
Stirling SA 5152

**Principal place of business**

Unit 7, 3-5 Mt Barker Road  
Stirling SA 5152

A description of the nature of the consolidated group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 October 2021. The directors have the power to amend and reissue the financial statements.

**National Association for Sustainable Agriculture Limited and Controlled Entity**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2021**

	Note	Consolidated Group 2021 \$	2020 \$	Parent Entity 2021 \$	2020 \$
<b>Revenue</b>	3	2,694,373	2,875,211	717,814	685,664
<b>Expenses</b>					
Accreditation and certification		(753,271)	(784,062)	-	(700)
Depreciation and amortisation		(10,284)	(5,303)	(7,617)	(3,416)
Staff and board expenses		(1,330,713)	(1,203,292)	(503,399)	(420,677)
Promotion and publications		(3,868)	(7,451)	(3,868)	(7,283)
Office expenses		(136,520)	(139,853)	(136,520)	(139,853)
Sundry expenses		(224,266)	(272,074)	(155,663)	(128,400)
<b>Surplus/(deficit) before income tax expense</b>		235,451	463,176	(89,253)	(14,665)
Income tax expense	4	(68,775)	(153,823)	-	-
<b>Surplus/(deficit) after income tax expense for the year</b>		166,676	309,353	(89,253)	(14,665)
Other comprehensive income for the year, net of tax		-	-	-	-
<b>Total comprehensive income for the year</b>		166,676	309,353	(89,253)	(14,665)

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

**National Association for Sustainable Agriculture Limited and Controlled Entity**  
**Statement of financial position**  
**As at 30 June 2021**

	Note	Consolidated Group 2021 \$	2020 \$	Parent Entity 2021 \$	2020 \$
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	1,478,330	1,521,304	177,136	214,763
Trade and other receivables	6	253,137	300,328	6,408	119,400
Other current assets	7	14,261	35,205	8,965	6,540
Total current assets		1,745,728	1,856,837	192,509	340,703
<b>Non-current assets</b>					
Financial assets		-	-	1	1
Property, plant and equipment	8	34,152	26,963	17,446	17,898
Investments		15,000	15,000	15,000	15,000
Deferred tax assets		20,159	34,909	-	-
Total non-current assets		69,311	76,872	32,447	32,899
<b>Total assets</b>		<b>1,815,039</b>	<b>1,933,709</b>	<b>224,956</b>	<b>373,602</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	9	211,247	342,099	61,942	119,174
Provisions	10	101,989	107,711	32,304	34,873
Other current liabilities	11	29,122	177,787	-	-
Total current liabilities		342,358	627,597	94,246	154,047
<b>Non-current liabilities</b>					
Total non-current liabilities		-	-	-	-
<b>Total liabilities</b>		<b>342,358</b>	<b>627,597</b>	<b>94,246</b>	<b>154,047</b>
<b>Net assets</b>		<b>1,472,681</b>	<b>1,306,112</b>	<b>130,710</b>	<b>219,555</b>
<b>Equity</b>					
Retained earnings		1,472,681	1,306,112	130,710	219,555
<b>Total equity</b>		<b>1,472,681</b>	<b>1,306,112</b>	<b>130,710</b>	<b>219,555</b>

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

**National Association for Sustainable Agriculture Limited and Controlled Entity**  
**Statement of changes in equity**  
**For the year ended 30 June 2021**

<b>Consolidated Group</b>	<b>Retained earnings \$</b>	<b>Total equity \$</b>
Balance at 1 July 2019	965,793	965,793
Surplus after income tax expense for the year	309,353	309,353
Prior period adjustment	30,966	30,966
Balance at 30 June 2020	<u>1,306,112</u>	<u>1,306,112</u>
	<b>Retained earnings \$</b>	<b>Total equity \$</b>
Balance at 1 July 2020	1,306,112	1,306,112
Surplus after income tax expense for the year	166,676	166,676
Prior period adjustment	(107)	(107)
Balance at 30 June 2021	<u>1,472,681</u>	<u>1,472,681</u>

  

<b>Parent Entity</b>	<b>Retained earnings \$</b>	<b>Total equity \$</b>
Balance at 1 July 2019	233,717	233,717
Deficit after income tax expense for the year	(14,665)	(14,665)
Prior period adjustment	503	503
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>(14,162)</u>	<u>(14,162)</u>
Balance at 30 June 2020	<u>219,555</u>	<u>219,555</u>
	<b>Retained earnings \$</b>	<b>Total equity \$</b>
Balance at 1 July 2020	219,555	219,555
Deficit after income tax expense for the year	(89,253)	(89,253)
Prior period adjustment	408	408
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>(88,845)</u>	<u>(88,845)</u>
Balance at 30 June 2021	<u>130,710</u>	<u>130,710</u>

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

**National Association for Sustainable Agriculture Limited and Controlled Entity**  
**Statement of cash flows**  
**For the year ended 30 June 2021**

	Note	Consolidated Group		Parent Entity	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Receipts from customers		2,758,680	2,601,746	827,365	675,674
Payments to suppliers and employees		(2,787,902)	(2,371,802)	(859,252)	(657,898)
Interest received		3,828	18,704	1,017	3,455
Net cash from operating activities	17	(25,394)	248,649	(30,870)	21,231
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment		(17,473)	(15,652)	(7,165)	(4,700)
Net cash used in investing activities		(17,473)	(15,652)	(7,165)	(4,700)
<b>Cash flows from investing activities</b>					
Net (decrease)/increase in cash and cash equivalents		(42,867)	232,997	(38,035)	16,531
Prior year adjustment		(107)	30,966	408	503
Cash at the beginning of the financial year		1,521,304	1,257,341	214,763	197,729
Cash at the end of the financial year	5	1,478,330	1,521,304	177,136	214,763

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

**National Association for Sustainable Agriculture Limited and Controlled Entity**  
**Notes to the financial statements**  
**30 June 2021**

**Note 1. 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 consolidated entity 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**

In the directors' opinion, the company 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 Corporations Act 2001 requirements to prepare and distribute financial statements to the members of National Association for Sustainable Agriculture Limited. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of National Association for Sustainable Agriculture Limited.

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.

*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 2.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of National Association for Sustainable Agriculture Limited ('parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. National Association for Sustainable Agriculture Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

**Note 1. Significant accounting policies**

**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.

*Rendering of services*

Rendering of services revenue from computer maintenance fees is recognised by reference to the stage of completion of the contracts.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

*Grants*

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

*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.

**National Association for Sustainable Agriculture Limited and Controlled Entity**  
**Notes to the financial statements**  
**30 June 2021**

**Note 1. Significant accounting policies (continued)**

**Income tax**

As the parent entity is a not-for-profit institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax. The controlled entity, NASAA Certified Organic Pty Ltd is a for-profit entity and income tax is applicable.

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**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**

Other receivables are recognised at amortised cost, less any provision for impairment.

**Note 1. Significant accounting policies (continued)**

**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:

Plant and equipment	2-7 years
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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 company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**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.

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.

**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.

*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.

*Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

**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.

**National Association for Sustainable Agriculture Limited and Controlled Entity**  
**Notes to the financial statements**  
**30 June 2021**

**Note 1. 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.

**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 company 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.

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

**National Association for Sustainable Agriculture Limited and Controlled Entity**  
**Notes to the financial statements**  
**30 June 2021**

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*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.

*Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

	Consolidated Group		Parent Entity	
	2021 \$	2020 \$	2021 \$	2020 \$
Operating activities	2,690,545	2,856,507	716,797	682,209
Interest received	3,828	18,704	1,017	3,455
Revenue	<u>2,694,373</u>	<u>2,875,211</u>	<u>717,814</u>	<u>685,664</u>

**Note 4. Income tax expense**

	2021 \$	2020 \$	2021 \$	2020 \$
<i>Income tax expense</i>				
Current tax	54,025	128,191	-	-
Deferred tax	14,750	25,632	-	-
Aggregate income tax expense	<u>68,775</u>	<u>153,823</u>	-	-
<i>Numerical reconciliation of income</i>				
Profit before income tax expense	<u>166,676</u>	<u>463,176</u>	-	-
Tax at the statutory tax rate of 26% (2020: 27.5%)	43,336	127,373	-	-
Tax effect amounts:				
Temporary differences	20,965	25,632	-	-
Permanent differences	4,474	818	-	-
Income tax expense	<u>68,775</u>	<u>153,823</u>	-	-

**National Association for Sustainable Agriculture Limited and Controlled Entity**  
**Notes to the financial statements**  
**30 June 2021**

	<b>Consolidated Group</b>		<b>Parent Entity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 5. Current assets - cash and cash equivalents</b>				
Cash at bank and on hand	1,478,330	1,521,304	177,135	214,763
	<u>1,478,330</u>	<u>1,521,304</u>	<u>177,135</u>	<u>214,763</u>
<b>Note 6. Current assets - trade and other receivables</b>				
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade receivables	272,956	350,328	6,408	119,400
Provision for impairment	(19,819)	(50,000)	-	-
	<u>253,137</u>	<u>300,328</u>	<u>6,408</u>	<u>119,400</u>
<b>Note 7. Current assets - other</b>				
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Prepayments	14,261	35,205	8,965	6,540
	<u>14,261</u>	<u>35,205</u>	<u>8,965</u>	<u>6,540</u>
<b>Note 8. Non-current assets - property, plant and equipment</b>				
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Plant and equipment - at cost	92,136	74,663	51,777	44,613
Less: Accumulated depreciation	(57,984)	(47,700)	(34,331)	(26,715)
	<u>34,152</u>	<u>26,963</u>	<u>17,446</u>	<u>17,898</u>
<b>Note 9. Current liabilities - trade and other payables</b>				
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade payables	212,050	281,641	42,659	85,176
GST payable	36,677	45,164	36,677	39,967
Sundry payables and accruals	(5,955)	15,620	(17,394)	(5,969)
Income tax refundable	(31,525)	(326)	-	-
	<u>211,247</u>	<u>342,099</u>	<u>61,942</u>	<u>119,174</u>

**National Association for Sustainable Agriculture Limited and Controlled Entity**  
**Notes to the financial statements**  
**30 June 2021**

	<b>Consolidated Group</b>		<b>Parent Entity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 10. Current liabilities - employee benefits</b>				
Long service leave	20,272	30,313	4,217	9,718
Annual leave	81,717	77,398	28,087	25,155
	<u>101,989</u>	<u>107,711</u>	<u>32,304</u>	<u>34,873</u>

**Note 11. Current liabilities - other**

	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Inspection and reinspection deposits	29,122	177,787	-	-
	<u>29,122</u>	<u>177,787</u>	<u>-</u>	<u>-</u>

**Note 12. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by PKF Adelaide, the auditor of the company:

	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Audit services - PKF</i>				
Audit of the financial statements	9,000	4,500	4,500	3,500
Taxation and other services	2,500	2,250	-	-

**Note 13. Contingent liabilities**

The company had no contingent liabilities as at 30 June 2021 and 30 June 2020.

**Note 14. Commitments**

The company had no commitments for expenditure as at 30 June 2021 and 30 June 2020.

**Note 15. Events after the reporting period**

No 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.

**National Association for Sustainable Agriculture Limited and Controlled Entity**  
**Notes to the financial statements**  
**30 June 2021**

**Note 16. Related party transactions**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**Note 17. Reconciliation of surplus after income tax to net cash from operating activities**

**Consolidated Group**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Surplus after income tax expense for the year	166,676	309,353
Adjustments for:		
Depreciation and amortisation	10,284	5,303
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	61,941	(252,135)
Decrease/(increase) in other assets	20,944	(28,257)
Increase/(decrease) in trade and other payables	(130,852)	159,640
Increase/(decrease) in provisions	(5,722)	15,064
Increase/(decrease) in other liabilities	(148,665)	39,681
Net cash from operating activities	<u>(25,394)</u>	<u>248,649</u>

**Parent Entity**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Deficit after income tax expense for the year	(89,253)	(14,665)
Adjustments for:		
Depreciation and amortisation	7,617	3,416
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	112,992	(5,740)
Decrease/(increase) in other current assets	(2,425)	408
Increase/(decrease) in trade and other payables	(57,232)	43,373
Increase/(decrease) in provisions	(2,569)	(5,561)
Net cash from operating activities	<u>30,870</u>	<u>21,231</u>

**Note 18. Coronavirus (COVID-19) pandemic**

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

**National Association for Sustainable Agriculture Limited and Controlled Entity**  
**Directors' declaration**  
**30 June 2021**

In the directors' opinion:

- the company 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 Corporations Act 2001 requirements to prepare and distribute financial statements to the members of National Association for Sustainable Agriculture Limited;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity'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 consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Tim Marshall  
Chair

22 October 2021  
Townsville

## **Opinion**

We have audited the financial report, being a special purpose financial report, of the National Association for Sustainable Agriculture Limited and Controlled Entity ('the Consolidated Group'), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement in changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the declaration by the board members.

In our opinion, the accompanying financial report of the National Association for Sustainable Agriculture Limited and Controlled Entity is in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2021 and of its financial performance and cash flows for the year 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 Consolidated Group in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (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 for the purpose of fulfilling the Consolidated Group's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

## **Responsibility of the Responsible Entities for the Financial Report**

The board members are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The Consolidated Group's responsibility also includes such internal control as the board determines is necessary to enable the preparation of a 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 board members are responsible for assessing the Consolidated Group'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 the responsible entities either intend to liquidate the Consolidated Group or to cease operations, or have no realistic alternative but to do so.

## **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 the financial report.

**National Association for Sustainable Agriculture Limited and Controlled Entity**  
**Independent auditor's report to the members of**  
**National Association for Sustainable Agriculture Limited and Controlled Entity**



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

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

We communicate with those charged with governance 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.

PKF Adelaide

Steven A Russo CA, RCA

Partner

Lvl 9, 81 Flinders Street, Adelaide SA

Dated this 22<sup>nd</sup> day of October 2021