

2021 Audited Financial Statements

Desert Channels Queensland Ltd

ABN 38 323 082 163

For the year ended 30 June 2021

Prepared by Ringrose Button Chartered Accountants

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Directors Report

Desert Channels Queensland Ltd For the year ended 30 June 2021

Your directors present their report on the association for the financial year ended 30 June 2021.

Directors

The names of the directors in office at any time during, or since the end of the year are:

Director	Date Appointed	Date Retired
Mr Michael St John Pratt	10 December 2014	
Mr Andrew Drysdale	16 November 2018	
Mr Rod Williams	2 April 2019	
Mr Vaughan Johnson	4 December 2019	
Mr George Gorringe	4 December 2019	

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

Review of Operations

The profit of the association for the financial year amounted to \$712,331.36.

Significant Changes in the State of Affairs

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

Principal Activities

The principal activities of the association during the financial year were to provide a community-based natural resource management body that secured funding for the area and works with landholders to ensure a sustainable social, economic and environmental future for this region of Queensland.

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

Events Subsequent to the End of the Reporting Period

A significant reduction in government funding is likely to occur in the 2021-2022 and subsequent years. The Board is in the process of addressing this issue. Please refer to Note 11 in the financial statements.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the association and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the association.

Environmental Regulation

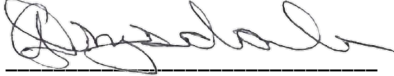
The associations operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Proceedings on Behalf of the Association

No person has applied for leave of court to bring proceedings on behalf of the association or intervene in any proceedings to which the association is a party for the purpose of taking responsibility on behalf of the association for all or any part of those proceedings.

The association was not a party to any such proceedings during the year.

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

Director: 

Mr Andrew Drysdale

Dated: 8 November 2021

Auditor's Independence Declaration

Desert Channels Queensland Ltd
For the year ended 30 June 2021

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

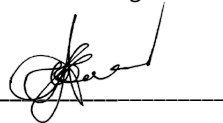
TO THE DIRECTORS

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

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Walsh Accounting CPA

Name of Director: _____



Lionel Walsh

Address: 68 Ash Street, Barcaldine Q 4725

Date: 8 November 2021

Statement of Comprehensive Income

Desert Channels Queensland Ltd For the year ended 30 June 2021

	2021	2020
Income		
Trading Profit		
Revenue	5,496,128.28	4,693,015.31
Cost of Sales	3,313.52	(1,109.68)
Total Trading Profit	5,499,441.80	4,691,905.63
Other Income	28,430.00	66,982.61
Total Income	5,527,871.80	4,758,888.24
Expenses		
Accountancy Expenses	12,620.00	25,800.00
Advertising and Marketing	1,951.44	12,284.61
Audit Fees	16,015.00	13,750.00
Board Costs	90,130.84	82,543.16
Depreciation	31,920.42	34,606.00
Employment Costs	1,769,245.22	1,586,012.27
Farm	8,000.00	-
Freight and Cartage	523.64	55.00
Loan Forgiveness - DC Solutions	-	345,615.00
Other	2,885,133.88	2,064,144.64
Total Expenses	4,815,540.44	4,164,810.68
Profit/(Loss) before Taxation	712,331.36	594,077.56
Net Profit After Tax	712,331.36	594,077.56
Net Profit After Distributions/Dividends Paid	712,331.36	594,077.56

Statement of Financial Position

Desert Channels Queensland Ltd As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Cash and Cash Equivalents	2	4,024,523.00	3,082,230.78
Receivables	3	612,184.76	830,975.68
Inventory	4	43,192.70	22,273.77
Total Current Assets		4,679,900.46	3,935,480.23
Non-Current Assets			
Property, Plant and Equipment	5	141,344.33	173,264.75
Total Non-Current Assets		141,344.33	173,264.75
Total Assets		4,821,244.79	4,108,744.98
Liabilities			
Current Liabilities			
Provisions	7	476,306.35	413,812.83
Payables	8	394,724.20	172,331.60
Contractual Obligations		813,477.94	1,098,195.61
Total Current Liabilities		1,684,508.49	1,684,340.04
Total Liabilities		1,684,508.49	1,684,340.04
Net Assets		3,136,736.30	2,424,404.94
Equity			
Retained Earnings	10	3,136,736.30	2,424,404.94
Total Equity		3,136,736.30	2,424,404.94

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Changes in Equity

Desert Channels Queensland Ltd For the year ended 30 June 2021

	2021	2020
Equity		
Opening Balance	2,424,404.94	1,830,327.38
Increases		
Profit for the Period	712,331.36	594,077.56
Total Increases	712,331.36	594,077.56
Total Equity	3,136,736.30	2,424,404.94

Statement of Cash Flows

Desert Channels Queensland Ltd For the year ended 30 June 2021

	2021	2020
Operating Activities		
Receipts From Grants	4,273,873.49	3,897,251.34
Receipts From Customers	1,459,109.15	1,645,836.66
Payments to Suppliers and Employees	(5,013,272.19)	(4,082,587.09)
Interest Received	4,581.77	15,679.12
Net Cash Flows from Operating Activities	724,292.22	1,476,180.03
Investing Activities		
Payment for Property, Plant and Equipment	-	(84,545.00)
Net Cash Flows from Investing Activities	-	(84,545.00)
Financing Activities		
Loans from Related Parties	218,000.00	(218,000.00)
Net Cash Flows from Financing Activities	218,000.00	(218,000.00)
Net Cash Flows	942,292.22	1,173,635.03
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	3,082,230.78	1,908,595.75
Cash and cash equivalents at end of period	4,024,523.00	3,082,230.78
Net change in cash for period	942,292.22	1,173,635.03

Notes to the Financial Statements

Desert Channels Queensland Ltd For the year ended 30 June 2021

1. Statement of Significant Accounting Policies

The financial statements cover Desert Channels Queensland Ltd as an individual entity. Desert Channels Queensland Ltd is a company limited by guarantee incorporated and domiciled in Australia.

The functional and presentation currency of Desert Channels Queensland Ltd is Australian dollars.

During the year, the company transitioned from an incorporated association to a company limited by guarantee under the *Corporations Act 2001*. The transition did not change the composition of the membership or Board of Directors. In accordance with the *Associations Incorporation Act 1981*, the association ceased to operate. In accordance with the *Corporations Act 2001*, the registration of the company does not:

- a) create a new legal entity; or
- b) affect the entity's existing property, rights or obligations on transfer; or
- c) affect any legal proceedings commenced by or against the entity on transfer.

Basis of Preparation

The financial statements are special purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

These financial statements and associated notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on 8 November 2021 by the Directors of the company.

The significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

Adoption of new and revised accounting standards

The Company has adopted the following revisions and amendments to AASB's issued by the Australian Accounting Standards Board and IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Companies financial statements for the annual period beginning 1 July 2019.

The standards which had an impact on reported position, performance and cash flows were those relating to revenues.

During the year ended 30 June 2020, the Company has adopted AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-For-Profit Entities and AASB 16 leases using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 Construction Contracts, AASB 117 Leases, AASB 118 Revenue, AASB 1004 Contributions and associated Accounting Interpretations.

As a result of adoption of AASB 15 and AASB 1058, the company has reviewed its revenue recognition methodology and policies to ensure:

These notes should be read in conjunction with the attached compilation report.

- Upfront or prepaid fees are recorded as a financial liability until the service has been provided;
- Grants received in advance are recorded as a liability until specific performance obligations have been satisfied.

Accounting Policies

Income Tax

The Company is endorsed as an income tax exempt charitable entity under Subdivision 50-B of the Income Tax Assessment Act 1997, and is registered for Goods and Services Tax.

Inventories

Inventories are measured at the lower of cost or net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Cost is based on the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to the existing condition and location.

Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment.

In the event the carrying value of plant and equipment is greater than the estimated recoverable amount, the carrying value is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

These notes should be read in conjunction with the attached compilation report.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Employee Benefits

Provision is made for the companies liability for employee benefits arising from services rendered by employees at the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Provisions

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Revenue and Other Income

Trading Revenue

Revenue arising from sale of goods and services is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods/services being provided.

The performance obligation relates to the specific goods/services which are provided to the customers, and in most cases the customers are able to obtain the goods services on credit, and the payment terms are within 30 days. There is no material obligation for the company in relation to refunds or returns.

Grant Revenue

Grant income under AASB15 - Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when each performance obligation is satisfied. Performance obligations can vary based on individual grant agreements. Payment terms can also vary depending on the terms of the grant. Cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Grant income under AASB1058 - Assets arising from grants in the scope of AASB 1058 are recognised at the asset's fair value when the asset is received. The company considers whether there are any related liability or equity items associated with the assets which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been initially recognised then the income is subsequently recognised for any remaining asset value at the time the asset is received.

Capital grants - capital grants received to enable the company to acquire or construct an item of property, plant and equipment to identified specifications which will be under the companies control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project, as there is no profit margin.

Donations

These notes should be read in conjunction with the attached compilation report.

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by the company.

Cash donations and bequests are recognised as revenue when received.

Interest Received

Interest revenue is recognised using the effective interest rate method, which for floating financial assets is the rate inherent in the instrument.

Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 30 June 2021. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

Comparative Figures

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

Related Party Note

The Statement of Comprehensive Income includes an income and expenses amount of \$503,235.65 (2020: \$141,920) which comprises of related party trading between the entities of DC Solutions Ltd and Desert Channels Queensland Incorporated.

The Statement of Comprehensive Income includes an income and expenses amount of \$Nil (2020: \$-30,000) which comprises of related party trading between the entities of PBE Services Pty Ltd and Desert Channels Queensland Incorporated.

The Statement of Comprehensive Income includes an income and expenses amount of \$-46,258 (2020: \$-51,457) which comprises of related party trading between the entities of Pipebore Excell Pty Ltd and Desert Channels Queensland Incorporated.

During the year there was a total of \$387,322 paid to the Chief Executive Office and a related party.

The financial report was authorised for issue on 8 November 2021 by the board of directors.

	2021	2020
2. Cash and Cash Equivalents		
Bank Accounts		
CBA Corporate Cards	(698.62)	(683.57)
Business Online Saver	788,803.97	187,794.53
CBA Cash Management Account	702,814.80	701,852.97
CBA Cheque Account	1,092,137.62	625,583.52
DCQ DRF	8,783.71	394,157.00
DCQ Social Club	6,365.60	4,375.95
Desert Channels Found Invest	579,220.19	328,531.42
Desert Channels Foundation	388,337.94	420,227.03

These notes should be read in conjunction with the attached compilation report.

	2021	2020
Paypal	2,102.36	1,546.73
Suncorp Leave Entitlements A/c	456,355.43	418,545.20
Total Bank Accounts	4,024,223.00	3,081,930.78
Other Cash Items		
Float	100.00	100.00
Petty Cash	200.00	200.00
Total Other Cash Items	300.00	300.00
Total Cash and Cash Equivalents	4,024,523.00	3,082,230.78

	2021	2020
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3. Receivables

Current		
Unbilled Revenue	426,670.09	525,866.12
Accounts Receivable	185,514.67	87,109.56
Short Term Loan - DC Solutions	-	218,000.00
Total Current	612,184.76	830,975.68
Total Receivables	612,184.76	830,975.68

	2021	2020
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4. Inventory

Inventories		
Inventories	43,192.70	22,273.77
Total Inventories	43,192.70	22,273.77
Total Inventory	43,192.70	22,273.77

	2021	2020
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5. Property Plant and Equipment

Plant and Equipment		
Plant & Equipment	319,360.66	319,360.66
Less: Accumulated Depreciation	(207,697.43)	(183,826.54)
Total Plant and Equipment	111,663.23	135,534.12

Plant & Equipment - DC Foundation		
Plant & Equipment - Foundation	115,220.37	115,220.37
Less: Accumulated Depreciation	(104,040.05)	(99,950.00)
Total Plant & Equipment - DC Foundation	11,180.32	15,270.37

Motor Vehicles		
Motor Vehicles	23,289.00	23,289.00
Less: Accumulated Depreciation	(18,822.00)	(17,333.00)
Total Motor Vehicles	4,467.00	5,956.00

Computer Software		
Computer Equipment	23,000.00	23,000.00

These notes should be read in conjunction with the attached compilation report.

	2021	2020
Less: Accumulated Depreciation	(23,000.00)	(23,000.00)
Total Computer Software	-	-
Office Equipment		
Office Equipment	273,140.43	273,140.43
Less: Accumulated Depreciation	(259,106.65)	(256,636.17)
Total Office Equipment	14,033.78	16,504.26
Total Property Plant and Equipment	141,344.33	173,264.75

	2021	2020
6. Financial Assets		

7. Provisions

	2021	2020
Provision for Employee Entitlements	456,306.35	413,812.83
Provision for Employee Redundancy	20,000.00	-
Total Provisions	476,306.35	413,812.83

8. Payables

	2021	2020
Current		
GST	49,623.05	27,524.00
Accounts Payable	273,067.64	38,887.61
PAYG Tax Withheld	48,546.00	55,372.00
Super Liability	22,518.51	50,547.99
Wages Payable - Payroll	969.00	-
Total Current	394,724.20	172,331.60
Total Payables	394,724.20	172,331.60

9. Financial Liabilities

	2021	2020
10. Retained Earnings		
Current Year Earnings	712,331.36	594,077.56
Opening Balance Equity	2,424,404.94	1,830,327.38
Total Retained Earnings	3,136,736.30	2,424,404.94

11. Events After the Reporting Period

While government funding was relatively stable in the 2020-21 financial year, recent negotiations with various funding bodies have indicated that funding will be stable for the 2021-22 year. A potential reduction in government grants may occur during the 2022-2023 financial year and this will flow through to later years unless other revenue source can be negotiated. While the exact amount of the reduction is not known, it is projected that it could be as much as 25% of current grant funds received.

The Board intends to address this matter with two strategies. Firstly, every effort will be made to secure alternative funding. Secondly, the board will implement whatever cost savings are necessary to ensure its continuing viability.

These notes should be read in conjunction with the attached compilation report.

It is not anticipated that this change in circumstances will affect the Board's ability to operate as a going concern because of the above strategies.

12. Board Remuneration

During the year Directors Fees of \$80,032.47 (2020: \$78,338.45) were paid to Directors listed in the Directors' Report.

13. Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Tax.

	2021	2020
Profit (Loss) after income tax	712,331.36	606,267.56
Non-Cash flows in profit		
Depreciation	31,920.42	34,606.00
Changes in assets and liabilities		
(Increase) Decrease in receivables	(98,405.11)	47,794.82
(Increase) Decrease in unbilled revenue	99,196.03	(525,866.12)
(Increase) Decrease in inventories	(20,918.93)	1,109.68
Increase (Decrease) in payables	290,165.56	136,961.60
Increase (Decrease) in provisions	62,493.52	22,985.60
Increase (Decrease) in unexpended grants	(284,717.67)	806,705.89
Increase (Decrease) in long-term borrowings	0.00	345,615.00
Net cash provided by operating activities	724,292.22	1,476,180.60

14. Company Details

The registered office of the company is:

92 Galah Street, LONGREACH, QLD, Australia, 4730

The principal place of business is:

92 Galah Street, LONGREACH, QLD, Australia, 4730

These notes should be read in conjunction with the attached compilation report.


Directors Declaration

Desert Channels Queensland Ltd For the year ended 30 June 2021

The directors of the company declare that:

1. The financial statements and notes, as set out herein, are in accordance with the Corporations Act 2001 and:
 1. comply with Accounting Standards, which, as stated in accounting policy Note 1 to the Financial Statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 2. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the association.
2. In the directors' opinion there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:  _____

Mr Andrew Drysdale

Sign date: 8 November 2021

Compilation Report

Desert Channels Queensland Ltd For the year ended 30 June 2021

Compilation report to Desert Channels Queensland Ltd

We have compiled the accompanying special purpose financial statements of Desert Channels Queensland Ltd, which comprise the balance sheet as at 30 June 2021, the income statement, the statement of cash flows, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Directors

The directors of Desert Channels Queensland Ltd are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

Our Responsibility

On the basis of information provided by the directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

Our procedures use accounting expertise to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the directors. We do not accept responsibility to any other person for the contents of the special purpose financial statements.



Partner: William Ringrose

Firm: Ringrose Button Chartered Accountants

116 Eagle Street, Longreach QLD 4730

Dated: 8 November 2021

Auditor's Report

Desert Channels Queensland Ltd For the year ended 30 June 2021

Independent Auditors Report to the members of the Desert Channels Queensland Ltd

Opinion

We have audited the special purpose financial report of Desert Channels Queensland Ltd (formerly Desert Channels Queensland Inc) (the company), which comprises the statement of financial position as at 30 June 2021, the statement of 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 Desert Channels Queensland Ltd, is in accordance with the *Corporations Act 2001*, including:

- a) 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
- b) complying with relevant Australian Accounting Standards and the Corporations Regulations 2001.

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 auditor independence requirements of the *Corporations Act 2001* and 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 ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information, which comprises the information included in the association's annual report for the year ended 30 June 2021 but does not include the special purpose financial report and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* 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 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.

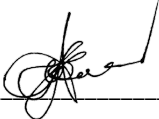
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director'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 association'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 association 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Auditor's signature:  _____

Lionel Walsh CPA

Walsh Accounting

Auditor's address: 68 Ash Street, Barcaldine QLD 4725

Dated: 8 November 2021

Income Statement

Desert Channels Queensland Ltd For the year ended 30 June 2021

	NOTES	2021	2020
Income			
Trading Profit			
Trading Gross Profit			
Revenue			
Book Sales		5,171.92	1,164.48
Total Revenue		5,171.92	1,164.48
Cost of Sales			
Opening Stock		(22,273.77)	(23,383.45)
Purchases		(17,605.41)	-
Closing Stock		43,192.70	22,273.77
Total Cost of Sales		3,313.52	(1,109.68)
Total Trading Gross Profit		8,485.44	54.80
Total Trading Profit		8,485.44	54.80
Total Income		8,485.44	54.80
Other Income			
COVID-19 Cashflow Boost		25,000.00	62,500.00
Total Other Income		25,000.00	62,500.00
Comprehensive Income			
Donations DCF		299,581.00	406,271.75
Grant Revenue		4,066,861.18	3,185,352.80
Interest Received		4,581.77	15,679.12
Other Revenue		1,085,932.41	1,084,547.16
SPONSORSHIP INCOME		34,000.00	-
Social Club Income		3,430.00	4,482.61
Total Comprehensive Income		5,494,386.36	4,696,333.44
Total Income		5,527,871.80	4,758,888.24
Expenses			
Accountant Fees		12,620.00	25,800.00
Admin Costs Recovery - should equal nil		28.35	-
Advertising & Promotions		1,951.44	12,284.61
Auditors		16,015.00	13,750.00
Bad Debts		8,000.00	-
Bank Charges		898.92	712.83
Minor Equipment (Under \$5,000)		-	8,253.37
Board Member Costs			
Directors Fees		32,000.00	37,000.00
Hire		545.46	-
Honorarium		40,000.00	32,500.00

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

	NOTES	2021	2020
Other Expenses		45.45	-
Travel Allowance		3,909.17	4,781.84
Superannuation		3,532.39	4,056.61
Total Board Member Costs		80,032.47	78,338.45
Catering & Meeting Expenses		5,526.68	5,029.85
Cleaning & Supplies		11,865.41	10,190.84
Consumables		1,356.53	735.71
Contractors & Consultants		121,700.54	133,494.89
Depreciation		31,920.42	34,606.00
Donations		-	1,000.00
Electricity		5,195.57	4,436.45
Equipment <\$5000		3,054.25	9,589.50
Fees		2,095.97	412.38
Freight & Cartage		523.64	55.00
Gifts		803.81	1,369.75
Hire of Plant & Equipment		-	821.42
Insurance		40,797.16	44,562.32
Internet		5,020.27	2,997.61
Legal fees		20,618.94	12,598.67
Loan Forgiveness - DC Solutions		-	345,615.00
Motor Vehicle		232,955.49	187,346.59
Permits & Licences		24,869.72	7,501.16
Postage & Delivery		1,653.53	902.30
Printing & Stationery		5,444.15	5,487.06
Project Expenditure		1,646,823.39	847,522.55
Project Consultants & Contractors		625,419.84	667,693.60
Rates		8,903.14	3,551.45
Rent of Building		54,451.74	53,467.67
Repairs & Maintenance		12,723.07	6,202.16
Staff Training		181.82	323.64
Subscriptions & Memberships		7,922.59	6,185.07
Superannuation		190,195.60	173,494.42
Telephone		2,683.13	6,656.14
Trailer Expenses		-	2,470.20
Travel and Accommodation		28,884.71	25,624.09
Wages		1,516,374.28	1,389,805.55
Wages - Accrued Leave		42,493.52	22,985.60
Redundancy Provision		20,000.00	-
Workers Compensation Insurance		6,624.98	4,145.16
Workshop Expenses		16,475.46	6,791.62
Uniforms		434.91	-
Total Expenses		4,815,540.44	4,164,810.68

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

	NOTES	2021	2020
Profit/(Loss) before Taxation		712,331.36	594,077.56
Net Profit After Tax		712,331.36	594,077.56
Net Profit After Dividends Paid		712,331.36	594,077.56

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Balance Sheet

Desert Channels Queensland Ltd As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Bank Accounts			
Business Online Saver		788,803.97	187,794.53
CBA Cash Management Account		702,814.80	701,852.97
CBA Cheque Account		1,092,137.62	625,583.52
DCQ DRF		8,783.71	394,157.00
DCQ Social Club		6,365.60	4,375.95
Desert Channels Found Invest		579,220.19	328,531.42
Desert Channels Foundation		388,337.94	420,227.03
Paypal		2,102.36	1,546.73
Suncorp Leave Entitlements A/c		456,355.43	418,545.20
Total Bank Accounts		4,024,921.62	3,082,614.35
Accounts Receivable		185,514.67	87,109.56
Float		100.00	100.00
Inventories		43,192.70	22,273.77
Petty Cash		200.00	200.00
Short Term Loan - DC Solutions		-	218,000.00
Unbilled Revenue		426,670.09	525,866.12
Total Current Assets		4,680,599.08	3,936,163.80
Non-Current Assets			
Property, Plant and Equipment	5	141,344.33	173,264.75
Total Non-Current Assets		141,344.33	173,264.75
Total Assets		4,821,943.41	4,109,428.55
Liabilities			
Current Liabilities			
Bank Overdraft			
CBA Corporate Cards		698.62	683.57
Total Bank Overdraft		698.62	683.57
GST		49,623.05	27,524.00
Accounts Payable		273,067.64	38,887.61
Employee Payables			
Superannuation Payable		22,518.51	50,547.99
PAYG Tax Payable		48,546.00	55,372.00
Wages Payable - Payroll		969.00	-
Total Employee Payables		72,033.51	105,919.99
Employee Provisions			
Provision for Employee Entitlements		456,306.35	413,812.83

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

	NOTES	30 JUN 2021	30 JUN 2020
Provision for Employee Redundancy		20,000.00	-
Total Employee Provisions		476,306.35	413,812.83
Unexpended Grant Funding		813,477.94	1,098,195.61
Total Current Liabilities		1,685,207.11	1,685,023.61
Total Liabilities		1,685,207.11	1,685,023.61
Net Assets		3,136,736.30	2,424,404.94
Equity			
Retained Earnings		3,136,736.30	2,424,404.94
Total Equity		3,136,736.30	2,424,404.94

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Depreciation Schedule

Desert Channels Queensland Ltd For the year ended 30 June 2021

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
Computer Equipment						
Ara Iritija KMS Software	23,000.00	-	-	-	-	-
Total Computer Equipment	23,000.00	-	-	-	-	-
Motor Vehicles						
Toyota Hilux DCQ12 [243SMI]	23,289.00	5,956.00	-	-	1,489.00	4,467.00
Total Motor Vehicles	23,289.00	5,956.00	-	-	1,489.00	4,467.00
Office Equipment						
11 x MSiX460DX Slim Notebooks	17,369.00	2.00	-	-	1.33	0.67
13 x Ipad 2	6,523.00	23.00	-	-	11.50	11.50
2 x Filemaker Pro 9	907.00	9.00	-	-	2.70	6.30
4 x Monitors	1,515.00	12.00	-	-	3.60	8.40
40 x Zebra Stacking Chairs	4,251.00	679.00	-	-	135.80	543.20
Apple 27" Thunderbolt Display	1,090.00	4.00	-	-	2.00	2.00
Apple Mac Computer	2,887.00	111.00	-	-	33.30	77.70
Banner & Signs	2,586.00	381.00	-	-	42.86	338.14
Cabinet for Server	1,684.00	490.00	-	-	49.00	441.00
Camcorder	9,402.00	155.00	-	-	46.50	108.50
Computer & Server	30,494.00	40.00	-	-	15.00	25.00
Computer Workstation	2,925.00	26.00	-	-	7.80	18.20
D End Desks	366.00	142.00	-	-	9.51	132.49
Dell 3300MP Projector	2,726.00	1.00	-	-	0.38	0.62
Dell Latitude E6220 Laptop (CH)	2,015.00	-	-	-	-	-
Dell Latitude E6220 Laptop (SH)	2,418.00	-	-	-	-	-
Desk	3,907.00	1,194.00	-	-	119.40	1,074.60
Desk	1,299.00	405.00	-	-	40.50	364.50
Display Cabinet	1,135.00	417.00	-	-	41.70	375.30
DVD Storage & Table	725.00	90.00	-	-	13.50	76.50
Electronic Filing System	33,502.00	5,127.00	-	-	769.05	4,357.95
Electronic Whiteboard	5,645.00	85.00	-	-	25.50	59.50
Fax - Brother	363.00	5.00	-	-	1.50	3.50
Filmmaker Software	454.00	5.00	-	-	1.50	3.50
Furniture	995.00	234.00	-	-	23.40	210.60
Furniture & Pidgeon Holes	1,687.00	248.00	-	-	27.90	220.10
GIS Storage	2,156.00	301.00	-	-	45.15	255.85
HP Designjet Z6200 Printer & 42" Plotter	19,228.00	64.00	-	-	32.00	32.00
HP Laserjet 2015 Printer	1,181.00	19.00	-	-	5.70	13.30
IMAC 27" & Design Premium Software	4,460.00	8.00	-	-	4.00	4.00
IMAC 27" & Design Premium Software	3,672.00	7.00	-	-	3.50	3.50
Kodak i1220 Scanner x 2	1,879.00	165.00	-	-	33.00	132.00
Laminator	9,041.00	975.00	-	-	146.25	828.75

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
Macbook Pro 15" Laptop	2,442.00	-	-	-	-	-
Macbook Pro 17"	2,854.00	-	-	-	-	-
Microphone Attachments	1,774.00	34.00	-	-	10.20	23.80
Monitors x 3	970.00	17.00	-	-	5.10	11.90
MSAX460 Slim Notebook	2,306.00	-	-	-	-	-
Office Furniture	1,091.00	205.00	-	-	23.06	181.94
Office Furniture	7,740.00	1,804.00	-	-	180.40	1,623.60
Phone Headset	630.00	10.00	-	-	3.00	7.00
Photoshop Licences	504.00	1.00	-	-	0.40	0.60
Printer	414.00	7.00	-	-	2.10	4.90
Projector, Screen & Accessories	3,728.00	197.00	-	-	39.40	157.60
Reception Desk Credenza	729.00	88.00	-	-	13.20	74.80
Rexel Auto Plus 500 Shredder	1,817.00	544.00	-	-	72.52	471.48
Royal Sovereign Laminator RSR-1151AO	7,691.00	113.00	-	-	45.20	67.80
Scanner	1,990.00	31.00	-	-	9.30	21.70
Scanner Attachment for A3	1,800.00	28.00	-	-	8.40	19.60
Server Backup Equipment	6,220.00	61.00	-	-	18.30	42.70
Server NAS	2,545.00	46.00	-	-	13.80	32.20
Server Upgrade Computer Accessories	9,730.00	150.00	-	-	45.00	105.00
Sofa & Chairs	1,159.00	451.00	-	-	30.22	420.78
Software, Keyboard & Mouse	2,955.00	55.00	-	-	16.50	38.50
Telephone System	16,394.00	255.00	-	-	76.50	178.50
Telephone Upgrade	1,846.00	17.00	-	-	5.10	11.90
Toshiba Laptop	2,274.00	19.00	-	-	5.70	13.30
Tower & UPS	4,339.00	68.00	-	-	20.40	47.60
Work Station	604.00	102.00	-	-	15.30	86.70
WorkStation, Bookcase, 21 Chairs & Desk	6,107.00	777.00	-	-	116.55	660.45
Total Office Equipment	273,140.00	16,504.00	-	-	2,470.48	14,033.52
Plant & Equipment						
10 x 5 Galvanised Trailer (2000kg)	3,318.00	824.00	-	-	164.80	659.20
100lt Ice Box	295.00	84.00	-	-	8.40	75.60
10SD Card Video Camera & Tripod	5,335.00	46.00	-	-	18.40	27.60
2 x Marquees	12,255.00	553.00	-	-	124.43	428.57
2 x Outdoor Settings	1,816.00	427.00	-	-	42.70	384.30
20.14KW Solar Panels	22,938.00	16,824.00	-	-	1,682.40	15,141.60
20ft Containers	3,900.00	1,101.00	-	-	110.10	990.90
3.5t Flat Top Trailer (4.8m x 2.25m)	11,654.00	6,421.00	-	-	1,284.20	5,136.80
3t Tandem Trailer	7,545.00	6,681.00	-	-	1,336.20	5,344.80
4 Bedroom Donga	28,000.00	26,005.00	-	-	2,600.50	23,404.50
4 Bedroom Donga	28,000.00	26,013.00	-	-	2,601.30	23,411.70
4mx8m Marquee	4,715.00	2,360.00	-	-	354.00	2,006.00
4mx8m Marquee	4,715.00	2,348.00	-	-	352.20	1,995.80
5 x Bay Carport	10,732.00	7,721.00	-	-	193.03	7,527.97

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
6 x Dushnell HD Trophy Cameras	1,848.00	301.00	-	-	60.20	240.80
6 x Satellite Phones & Car Kits	12,950.00	615.00	-	-	138.38	476.62
6.8KVA Generator	1,177.00	519.00	-	-	51.90	467.10
6m Spray Boom with Nozzles	945.00	32.00	-	-	9.60	22.40
900lt Tuff Box	350.00	24.00	-	-	4.80	19.20
Advertising Banners	700.00	10.00	-	-	3.00	7.00
Air Conditioner Split System	1,455.00	192.00	-	-	28.80	163.20
Ashton Portale PA System	905.00	84.00	-	-	12.60	71.40
Bore Testing Digital Pressure Gauge	1,090.00	147.00	-	-	29.40	117.60
Canon Video Camera and Accessories	8,853.00	82.00	-	-	24.60	57.40
Cordless Microphone	664.00	61.00	-	-	9.15	51.85
Cupboard for Cleaning Gear	445.00	140.00	-	-	14.00	126.00
Garden Furniture	715.00	168.00	-	-	16.80	151.20
GPS Unit	436.00	7.00	-	-	2.10	4.90
GPS Unit	499.00	30.00	-	-	5.63	24.37
Honda Generator	2,090.00	22.00	-	-	6.60	15.40
L-12RLP3 Ratchet Locking Slew & Hydraulic Extension	4,490.00	501.00	-	-	150.30	350.70
Leupold RCX-2 Camera Trap	1,727.00	123.00	-	-	36.90	86.10
Leupold RCX-2SK Camera Trap	2,159.00	153.00	-	-	45.90	107.10
LK Mavic Pro Fly More Combo (Drone)	2,666.00	411.00	-	-	164.40	246.60
Marquee	4,715.00	125.00	-	-	28.13	96.87
Meter box for Solar Panels	1,653.00	1,243.00	-	-	124.30	1,118.70
Mipro Portable PA System	1,842.00	20.00	-	-	6.00	14.00
Pavers and Blocks	1,858.00	437.00	-	-	43.70	393.30
Photo GPS	363.00	32.00	-	-	6.40	25.60
PM House Furniture	1,845.00	498.00	-	-	99.60	398.40
Poster and Banners	930.00	130.00	-	-	19.50	110.50
Pressure Cleaner	632.00	22.00	-	-	4.95	17.05
Promotional Trailer	20,000.00	1,060.00	-	-	238.50	821.50
Pump with Turbo Spray	10,498.00	305.00	-	-	68.63	236.37
Refrigerator	900.00	93.00	-	-	13.95	79.05
Ricoh 500SE Digital Camera	2,333.00	11.00	-	-	4.40	6.60
Ricoh Digital Camera	2,231.00	14.00	-	-	5.60	8.40
Ricoh MP C3504 Multifunction Centre	12,365.00	1,859.00	-	-	929.50	929.50
Satellite Phones	4,093.00	247.00	-	-	55.58	191.42
Sign for Building	650.00	408.00	-	-	20.40	387.60
Solinst 102 Coaxial Water Meter	1,540.00	222.00	-	-	44.40	177.60
Sony 55" Bravia LCD Television	1,681.00	230.00	-	-	46.00	184.00
Sony Digital Camera	2,345.00	22.00	-	-	8.80	13.20
Sony Lapel Microphone Kit	681.00	38.00	-	-	7.60	30.40
Spray Unit Cover	370.00	44.00	-	-	6.60	37.40
Trailer	6,373.00	208.00	-	-	46.80	161.20
UHF Radio	533.00	-	-	-	-	-
Vacuum Cleaner	817.00	85.00	-	-	12.75	72.25

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
Vacuum Cleaner	338.00	5.00	-	-	1.50	3.50
Vehicle Number Plates	2,790.00	137.00	-	-	30.83	106.17
Waeco Car Fridge	1,082.00	50.00	-	-	11.25	38.75
Water Testing Equipment	3,365.00	1,295.00	-	-	129.50	1,165.50
Water Testing Orifice Meter	2,484.00	344.00	-	-	68.80	275.20
Weed Sprayer	547.00	26.00	-	-	5.20	20.80
Westinghouse Dishwasher	726.00	116.00	-	-	23.20	92.80
Yamaha TFM450 ATV	21,000.00	16,973.00	-	-	6,789.20	10,183.80
ZE639 Hardi Zebra 600 Cannon	14,400.00	8,204.00	-	-	3,281.60	4,922.40
Total Plant & Equipment	319,362.00	135,533.00	-	-	23,870.89	111,662.11
Plant & Equipment - Foundation						
Toyota Hilux DCQ12 [243SMI]	19,041.00	4,869.00	-	-	1,217.25	3,651.75
Toyota Landcruiser Military Workmate 4.5L Diesel	59,989.00	8,584.00	-	-	2,146.00	6,438.00
Yamaha YFM450 Grizzly Motorbike	10,826.00	347.00	-	-	138.80	208.20
Yamaha YFM450 Motorbike	12,682.00	860.00	-	-	344.00	516.00
Yamaha YFM450 Motorbike	12,682.00	610.00	-	-	244.00	366.00
Total Plant & Equipment - Foundation	115,220.00	15,270.00	-	-	4,090.05	11,179.95
Total	754,011.00	173,263.00	-	-	31,920.42	141,342.58

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Income Statement - DC Foundation

Desert Channels Queensland Ltd For the year ended 30 June 2021

Class is DCF.

	NOTES	2021	2020
Income			
Trading Profit			
Trading Gross Profit		221.81	-
Total Trading Profit		221.81	-
Total Income		221.81	-
Comprehensive Income			
Donations DCF		299,581.00	406,271.75
Interest Received		712.25	5,481.58
Total Comprehensive Income		300,293.25	411,753.33
Total Income		300,515.06	411,753.33
Expenses			
Advertising, Promotion & Sponsorship		430.00	1,200.00
Books		1,540.00	-
Building Maintenance		6,945.00	-
Contractors & Consultants		4,149.72	59,592.91
Fees		18.31	36.53
Freight & Cartage		100.00	-
Licences		87.00	-
Motor Vehicle		-	2,664.72
STAFF COSTS: Rent Allowance		600.00	-
Superannuation		8,120.60	-
Wages & Salaries		65,490.92	-
Total Expenses		87,481.55	63,494.16
Profit/(Loss) before Taxation		213,033.51	348,259.17
Net Profit After Tax		213,033.51	348,259.17
Net Profit After Dividends Paid		213,033.51	348,259.17

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.