National Accreditation Authority for Translators and Interpreters Ltd (NAATI)

A.B.N 42 008 596 996

Financial Statements

For the Year Ended 30 June 2026

National Accreditation Authority for Translators and Interpreters Ltd (NAATI)

A.B.N 42 008 596 996

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National Accreditation Authority for Translators and Interpreters Ltd (NAATI)

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Directors' Report
For the Year Ended 30 June 2026

The directors present their report on National Accreditation Authority for Translators and Interpreters Ltd (NAATI) for the financial year ended 30 June 2026.

The names of each person who has been a director during the year and to the date of this report are:

Magdalena Rowan — **Chair**

Experience

Magdalena Rowan was appointed to the NAATI Board from 1 December 2023 and was appointed as the Chair of the Board from 1 July 2024.

Ms Rowan has been a practicing certified interpreter and translator for over 40 years. During this time, she has also been involved in most facets of the industry. She has provided services across all levels of interpreting and translating. She has been an educator in interpreting and translating since the eighties, both at university and vocational levels in Australia and New Zealand. She was a member of the Technical Advisory Committee for the T&I Public Service Training Package and has designed and implemented T&I courses as a senior lecturer at TAFESA, including courses for Indigenous and sign language interpreters.

Ms Rowan has worked extensively with NAATI since the 1990s, including being a member of the NAATI Regional Advisory Committee for many years. More recently she has been involved in the development of the NAATI Certification System and Continuous Improvement Program. Ms Rowan was a NAATI examiner for many years and assisted NAATI in training examiners. Prior to her Board appointment, she was the chair of NAATI's Technical Reference Advisory Committee.

Ms Rowan is also a member of the Judicial Council on Diversity and Inclusion subcommittee, responsible for the development of the Recommended National Standards for Working with Interpreters in Courts and Tribunals. Ms Rowan regularly presents to professionals who work with interpreters and continues to be a practicing interpreter and translator in Spanish. In the past, Ms Rowan also practiced as an accredited Polish Professional Interpreter.

Ms Rowan has a Bachelor of Arts, a postgraduate degree in Adult Education and an Advanced Diploma in Interpreting and Translating and has completed the Australian Institute of Company Directors Foundations for Directorship course. Ms Rowan is a fellow of the Australian Institute of Interpreters and Translators and a member of the New Zealand Society of Interpreters and Translators.

Ms Rowan's first term as a Director of NAATI ends on 30 November 2026.

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Professor Nicholas Farrelly **Deputy Chair**

Experience

Professor Nicholas Farrelly was appointed to the NAATI Board from 1 December 2023, bringing to the Board significant academic, leadership and organisational change experience. Professor Farrelly was appointed as the Deputy Chair of the Board from 1 December 2024.

After graduating from the Australian National University with First Class Honours and the University Medal in Asian Studies, he completed his M.Phil and D.Phil at the University of Oxford as a Rhodes Scholar.

Professor Farrelly was previously an Associate Dean in the ANU College of Asia and the Pacific, Deputy Director of its Coral Bell School of Asia-Pacific Affairs, and the founding Director of the ANU Myanmar Research Centre.

For more than 20 years, he has published widely on Asian political, social and security issues, with a long-term focus on Thailand and Myanmar. He has also led a range of academic activities in Bangladesh, India, China, Singapore, Malaysia and Indonesia.

Professor Farrelly is currently a Pro Vice-Chancellor at the University of Tasmania where he is responsible for the Arts and Society and Southern Tasmania portfolios. Previously, from 2020-2023, he was Head of the University's School of Social Sciences. He also works closely with many different government, community and industry organisations. Professor Farrelly maintains a keen interest in educational, technological and cultural change.

In 2024 he was lead author of a report on Australia's diplomatic engagement with Southeast Asia titled "Comprehensive Strategic Partners: ASEAN and Australia after the first 50 years". In 2024 was also appointed by the Australian Foreign Minister to serve on the advisory board for the new ASEAN-Australia Centre.
Professor Farrelly is a Graduate of the Australian Institute of Company Directors and a Senior Fellow of the Higher Education Academy (UK).
Professor Farrelly's first term as a Director of NAATI ends on 30 November 2026.

Jeffrey McAlister

Experience

Jeff McAlister was appointed to the NAATI Board from 1 September 2023.

Mr McAlister was appointed by the NAATI Board as the Chair of the Audit and Risk Committee from 1 January 2025, having been a member of the Audit and Risk Committee since December 2023.

Mr McAlister is a senior government executive with extensive experience in trade, investment, and international relations across multiple jurisdictions including with Australia's major overseas partners.

Since graduating with an MA (Hons) in Languages, Mr McAlister has had a lifelong interest in language and knows firsthand the value of quality translation and interpretation services to help business and migrants access services and reach agreements. Mr McAlister has worked on a range of Indigenous projects and is encouraged by the renewal of First Nations languages.

Mr McAlister is currently working in Western Sydney for the Bradfield Development Authority, building Australia's first new city in 100 years and creating jobs for the region's fast growing multicultural communities. He also does pro bono work providing migration advice for vulnerable migrants.

Mr McAlister's first term as a Director of NAATI ends on 31 August 2026.

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Directors' Report
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Gulnara Abbasova

Experience

Gulnara Abbasova was appointed to the NAATI Board from 1 July 2024.

Ms Abbasova brings over 20 years of leadership and contribution in public policy and strategy, governance and regulation across civil society, government and intergovernmental organisations. This includes over a decade of community sector leadership at the intersection of social policy, migration and settlement, and multiculturalism, with a particular focus on gender equality and health equity.

Now Head of Domestic, Family and Sexual Violence Prevention and Response at SSI, Ms Abbasova previously led the national multicultural peak body, and established and led the national migrant and refugee women's alliance and Australia's first national peak body on migrant and refugee health. Her role in government was in public health services where she led work on policy, strategy and governance. Prior to moving to Australia, Ms Abbasova's experience was in the intergovernmental context, including working at the United Nations, with a focus on Indigenous Peoples' rights and issues.

Ms Abbasova has been a trusted advisor to government on policy development, implementation and reform. Among her many contributions, she advised on the development of The National Plan to End Violence against Women and Children 2022-2032 and served as a WHO's leading issue expert in the development and implementation of a landmark global policy framework on migrant and refugee health.

Ms Abbasova brings extensive experience in health practitioner regulation and has held statutory appointments with the ACT Boards and national committees of the Nursing and Midwifery Board of Australia (2017-24) and the Medical Board of Australia (since 2019, currently as Chair), as well as the Dental Board of Australia (since 2024).

Ms Abbasova has a long-standing affiliation with NAATI through her work on improving access to language services particularly in the health sector, and her service on the NAATI Technical Reference Advisory Committee.

Ms Abbasova's first term as a Director of NAATI ends on 30 June 2027.

Andrea Creado

Experience

Andrea Creado was appointed to the NAATI Board from 1 July 2024.

Ms Creado is currently the CEO of a multicultural organisation in Western Australia with over 19 years of executive experience working with varied ethnic communities in a community health setting.

Ms Creado is also a Councilor with one of the largest local governments in WA which has a high proportion of culturally diverse populations. She holds a Master's Degree in Human Development, Bachelor of Arts with Honours in Psychology, is a fellow of the Australian Institute of Management and a graduate of the Australian Institute of Company Directors. Additionally, she has postgraduate qualifications in Governance in Cyber Security, Operational Improvements and Managing Financial Resources. She sits on the board of the Centre for Women's Safety and Wellbeing, on the council for John Septimus Roe High School and is a committee member and expert reference group member for various government and community organisations. She is often invited by government to sit as the multicultural voice on various advisory groups related to women's health and family and domestic violence.

As a first-generation migrant from India and a professional working in an industry where interpreters are used daily, Ms Creado has an in-depth understanding of the importance of interpreting and translating services and champions the use of professional interpreters through her advocacy with various government bodies.

Ms Creado has been recognised by various organisations for her work. She won the Zonta Woman of Achievement Award in 2012, the Soroptimist International Woman of Achievement Award in 2023, and was the recipient of the Social Impact Leadership Australia scholarship in 2023 and a Merit Award for Services to Local Government in 2026.

Ms Creado's first term as a Director of NAATI ends on 30 June 2027.

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Directors' Report
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Caitrin Dunn

Experience

Caitrin Dunn was appointed to the NAATI Board from 1 January 2025.

Ms Dunn was appointed by the NAATI Board as a member of the Audit and Risk Committee from 1 January 2025, having been an independent member of the Audit and Risk Committee since August 2017.

Ms Dunn is based in Canberra with her husband and two children. A first-generation migrant, Ms Dunn feels extremely privileged to live and raise her family in Australia. She appreciates the benefits our multicultural community provides and views her work with NAATI as critical to support and contribute to Australia's diversity and success. Ms Dunn's interest in languages started with her mother's Māori bedtime stories and continued to expand when her parents worked as teachers in remote Indigenous communities in Western Australia working alongside local Indigenous community members to record their traditional stories that were developed into educational resources.

Ms Dunn is a senior business executive with extensive experience in strategy, risk management and technology locally and overseas. She currently runs a boutique technology strategy business that supports state and federal governments to leverage technology to improve service delivery for the community.

Ms Dunn has designed and delivered complex, multi-jurisdictional programs to rectify issues or implement new technologies to improve operations. She focuses on establishing trusted relationships with clients and teams to ensure alignment and support mutually beneficial goals and outcomes. She has expertise across a range of domains including immigration and border, national security, environment and climate change, education and infrastructure. Prior to her work with government, Ms Dunn worked in investment banking around the world, helping to identify and assess opportunities in new markets.

Ms Dunn's first term as a Director of NAATI ends on 31 December 2027.

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

Principal activities

The core mission of the Company is to set and maintain high national standards for the translating and interpreting sector to enable the existence of a supply of appropriately certified translating and interpreting professionals, responsive to the changing needs and demography of Australia's culturally and linguistically diverse society.

NAATI introduced its National Certification System in January 2018, and it is the only organisation to issue certifications to practitioners who wish to work in the translating and interpreting profession in Australia.

Objectives

The broad long-term objectives of the company are to:

- ensure high national standards for the translating and interpreting profession in Australia and promote the profession's reputation; and
- strengthen access and equity for individuals from culturally and linguistically diverse communities, the Deaf Community and Aboriginal and Torres Strait Islander peoples.

Strategy for achieving the objectives

- Maintain and enhance a nationally recognised Certification System that has integrity and is responsive to the changing needs of the Australian community;

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Directors' Report
For the Year Ended 30 June 2026

Strategy for achieving the objectives

- Establish certification processes, including recertification that are accountable and subject to continuous improvement;
- Confer credentials on translating and interpreting professionals in accordance with the nationally recognised Certification System;
- Develop and maintain a capability to undertake a range of reliable language testing services;
- Engage with relevant international organisations in the translating and interpreting industry to ensure the Certification System maintains currency and recognition in line with international best practice;
- Provide advisory and consultancy services in relation to the translating and interpreting sector;
- Recognise Endorsed Qualifications in translating and interpreting offered by education institutions;
- Provide certified translators and interpreters to support people with limited English proficiency access services and engage with broader community including in government, medical, legal, welfare and private sector settings;
- Work with Member Governments and other stakeholders to identify and address areas of unmet demand for community interpreting services;
- Raise community awareness of the value and effective methods of engaging and working with appropriately credentialed practitioners; and
- Advocate for and support multiculturalism and multilingualism in Australia.

Performance measures

The company measures performance through monitoring benchmarks in respect of:
- numbers of credentials awarded according to type;
- trends in numbers of tests administered;
- time taken to process applications and results;
- variations of expenditures against approved budgets;
- maintaining adequate financial resources to meet liabilities; and
- recording, managing and reporting on complaints received.

Members' guarantee

NAATI is a public company limited by guarantee. In accordance with clause 1.5 of the NAATI Constitution, if NAATI is wound up, each Member's liability will not exceed $10.

As at 30 June 2026, the total liability of NAATI's nine Members was $90 (2025: $90).

Operating results and review of operations for the year

The company achieved revenue of $30.6M (2025: $25.8M) and a surplus of $6.5M (2025: $7.6M). This represents a 19% increase in revenue and a 15% decrease in surplus compared with the previous year.

NAATI recorded its largest testing year to date, with 36,638 tests conducted during the year (2025:29,971), resulting in increased revenue.

While testing, employment and hosting expenses increased in line with higher testing volumes, the reduction in surplus was largely attributable to significant strategic investments undertaken during the year, including the national NAATI awareness campaign ($1.7M) and the NCMS Code Upgrade ($1.2M). These initiatives contributed to higher expenditure during the year, resulting in a lower surplus compared with the previous year.

Net assets increased by $7.7M to $37.6M mainly due to the operating surplus and increase in value of investment portfolio for the year.

Key highlights for the year include:

- 13,556 NAATI certification credentials held by 8,802 individual practitioners across 182 languages, including 105 credentials in Indigenous languages held by 88 practitioners across 23 languages.
- 4,902 certification applications were received, of which 2,077 related to recertification. A total of 976 new credentials were issued, consistent with the previous year.

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Directors' Report
For the Year Ended 30 June 2026

Operating results and review of operations for the year

- 68 qualifications were issued (57 in Australia and 11 in New Zealand) across 25 Endorsed Qualification (EQ) institutions (21 in Australia and 4 in New Zealand).
- NAATI certification for Interpreters in New Zealand has been in operation since July 1, 2024. The New Zealand Ministry of Ethnic Communities assumed responsibility for the program and NAATI continues to liaise with them regularly to support professional interpreting standards with 443 active credentials now held in New Zealand.
- NAATI continued to roll out its Performance Evaluation Framework to Certification examiners to ensure a high level of inter-rater reliability in the test results issued. As at 30 June 2026, 277 of 363 Certification examiners had been audited.
- The code upgrade for NAATI's CRM (NCMS) commenced in the third quarter of the year and is expected to be completed in second quarter of FY 2026-27.
- The Language Service Provider (LSP) Endorsement Model was launched on 24 February 2026, with 23 LSPs endorsed during the year.
- The national NAATI awareness campaign was launched in March 2026.
- NAATI's Innovate RAP was finalised by the Innovate RAP Working Group and approved by Reconciliation Australia in April 2026 for implementation.

Meetings of directors

During the financial year, 8 meetings of Directors (including Audit and Risk Management Committee meetings) were held. Attendances by each Director during the year were as follows:

	Directors' Meetings		Audit and Risk Management Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ms Magdalena Rowan	4	4	-	-
Professor Nicholas Farrelly	4	4	-	-
Mr Jeffrey McAlister	4	4	4	4
Ms Gulnara Abbasova	4	4	-	-
Ms Andrea Creado	4	4	-	-
Ms Caitrin Dunn	4	4	4	4

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-Profits Commission Act 2012* (Cth) for the year ended 30 June 2026 has been received and can be found on page 7 of the financial report.

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



Magdalena Rowan
Chair

Dated: 18 September 2026

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National Accreditation Authority for Translators and Interpreters Ltd (NAATI)

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Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-Profits Commission Act 2012 to the Directors of National Accreditation Authority for Translators and Interpreters Ltd (NAATI)

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2026, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-Profits Commission Act 2012 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF Canberra

PKF Canberra

Stephen Agarwal
Partner PKF Canberra
Registered Company Auditor

Dated: 18 September 2026

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Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2026

	Note	2026 $	2025 $
Revenue	4	**30,611,549**	25,800,262
Employee related expense		**(9,213,891)**	(7,439,744)
Depreciation and amortisation expense		**(1,029,331)**	(1,148,567)
Testing expenses		**(8,097,544)**	(6,927,325)
Technology expenses		**(2,486,554)**	(1,344,959)
Other expenses		**(3,029,769)**	(1,084,168)
Finance expenses		**(285,737)**	(264,716)
Surplus/(Deficit) before income tax		**6,468,723**	7,590,783
Income tax expense		**-**	-
Surplus/(Deficit) for the year		**6,468,723**	7,590,783
Other comprehensive income			
Items that will be reclassified to profit or loss when specific conditions are met			
Fair value movements on investments held at fair value through other comprehensive income (FVOCI)		**1,273,889**	824,398
Other comprehensive income for the year		**1,273,889**	824,398
Total comprehensive income for the year		**7,742,612**	8,415,181

The accompanying notes form part of these financial statements.

National Accreditation Authority for Translators and Interpreters Ltd (NAATI)

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Statement of Financial Position
As At 30 June 2026

	Note	2026 $	2025 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**9,791,608**	8,615,990
Trade and other receivables	6	**280,315**	181,566
Other financial assets	7	**13,194,325**	13,113,145
Other assets	8	**845,937**	888,620
TOTAL CURRENT ASSETS		**24,112,185**	22,799,321
NON-CURRENT ASSETS			
Other financial assets	7	**21,286,498**	15,631,309
Property, plant and equipment	9	**1,691,468**	1,129,736
Right-of-use assets	9	**1,871,724**	2,559,195
TOTAL NON-CURRENT ASSETS		**24,849,690**	19,320,240
TOTAL ASSETS		**48,961,875**	42,119,561
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	**1,805,486**	974,710
Lease liabilities	11	**873,959**	766,173
Employee benefits	12	**1,353,965**	1,096,336
Contract liabilities	13	**5,492,606**	6,559,060
TOTAL CURRENT LIABILITIES		**9,526,016**	9,396,279
NON-CURRENT LIABILITIES			
Lease liabilities	11	**1,796,182**	2,666,436
Employee benefits	12	**56,989**	216,770
TOTAL NON-CURRENT LIABILITIES		**1,853,171**	2,883,206
TOTAL LIABILITIES		**11,379,187**	12,279,485
NET ASSETS		**37,582,688**	29,840,076
EQUITY			
Reserves		**9,306,677**	8,032,788
Retained Earnings		**28,276,011**	21,807,288
		37,582,688	29,840,076
TOTAL EQUITY		**37,582,688**	29,840,076

The accompanying notes form part of these financial statements.

National Accreditation Authority for Translators and Interpreters Ltd (NAATI)

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Statement of Changes in Equity
For the Year Ended 30 June 2026

2026

	Retained Earnings	General Reserve	FVOCI reserve	Total
	$	$	$	$
Balance at 1 July 2025	**21,807,288**	**5,000,000**	**3,032,788**	**29,840,076**
Surplus for the year	**6,468,723**	**-**	**-**	**6,468,723**
Total other comprehensive income for the period	**-**	**-**	**1,273,889**	**1,273,889**
Balance at 30 June 2026	**28,276,011**	**5,000,000**	**4,306,677**	**37,582,688**

2025

	Retained Earnings	General Reserve	FVOCI reserve	Total
	$	$	$	$
Balance at 1 July 2024	14,216,505	5,000,000	2,208,390	21,424,895
Surplus for the year	7,590,783	-	-	7,590,783
Total other comprehensive income for the period	-	-	824,398	824,398
Balance at 30 June 2025	21,807,288	5,000,000	3,032,788	29,840,076

The accompanying notes form part of these financial statements.

National Accreditation Authority for Translators and Interpreters Ltd (NAATI)

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Statement of Cash Flows
For the Year Ended 30 June 2026

	Note	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**28,079,647**	25,074,114
Payments to suppliers and employees		**(21,895,780)**	(17,136,175)
Interest received		**505,192**	433,040
Net cash provided by/(used in) operating activities	22	**6,689,059**	8,370,979
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends received		**900,836**	1,002,242
Purchase of property, plant and equipment		**(903,592)**	(65,799)
Purchase of financial assets		**(4,462,480)**	(5,655,682)
Net cash provided by/(used in) investing activities		**(4,465,236)**	(4,719,239)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of finance lease liabilities		**(1,048,205)**	(1,091,747)
Net cash provided by/(used in) financing activities		**(1,048,205)**	(1,091,747)
Net increase/(decrease) in cash and cash equivalents held		**1,175,618**	2,559,993
Cash and cash equivalents at beginning of year		**8,615,990**	6,055,997
Cash and cash equivalents at end of financial year	5	**9,791,608**	8,615,990

The accompanying notes form part of these financial statements.

National Accreditation Authority for Translators and Interpreters Ltd (NAATI)

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Notes to the Financial Statements
For the Year Ended 30 June 2026

The financial report covers National Accreditation Authority for Translators and Interpreters Ltd (NAATI) as an individual entity. NAATI is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of NAATI is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board.

The financial statements, except for the cash flow information, 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.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

2 Summary of Material Accounting Policy Information

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer.

2. Identify the performance obligations.

3. Determine the transaction price.

4. Allocate the transaction price to the performance obligations.

5. Recognise revenue as and when control of the performance obligations is transferred.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations; however, where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

2 Summary of Material Accounting Policy Information

(a) Revenue and other income

The revenue recognition policies for one of the revenue streams of the Company are:

Operating grants

When the Company receives operating grant revenue, it assesses whether the contract is enforceable and has sufficient specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Company:

• identifies each performance obligation relating to the grant;

• recognises a contract liability for its obligations under the agreement; and

• recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficient specific performance obligations, the Company:

• recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138);

• recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and

• recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Interest income

The Interest income is recognised using the effective interest method.

Dividend income

The entity recognises dividends in profit or loss only when the entity's right to receive payment of the dividend is established.

(b) Income tax

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

(c) Goods and services tax (GST)

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

2 Summary of Material Accounting Policy Information

(c) Goods and services tax (GST)

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Property, plant and equipment

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

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Leasehold improvements

Leasehold improvements are measured using the cost model.

Plant and equipment

Plant and equipment is measured using the cost model.

Depreciation

Plant and equipment is depreciated on a reducing balance basis over the asset's useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

At the end of each annual reporting period, the depreciation method, useful Life, and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

2 Summary of Material Accounting Policy Information

(e) Financial instruments

Financial assets

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Company has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (FVOCI reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in Other Comprehensive Income (OCI).

Financial assets through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are measured at Fair Value through Profit or Loss (FVTPL).

The Company does not hold any asset that fall into this category.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

2 Summary of Material Accounting Policy Information

(e) Financial instruments

Financial assets

- financial assets measured at amortised cost

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost is determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

2 Summary of Material Accounting Policy Information

(e) Financial instruments

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables.

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, term deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Leases

At inception of a contract, the Company assesses whether a lease exists, i.e., does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset that may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e., decision making rights in relation to changing how and for what purpose the asset is used.

2 Summary of Material Accounting Policy Information

(h) Leases

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured where there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g., Consumer Price Index (CPI)) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e., leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period 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 satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

2 Summary of Material Accounting Policy Information

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2026, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

(k) New accounting standards and interpretations issued but not yet effective

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2028	AASB 18 replaces AASB 101 as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in AASB-compliant financial statements. Amongst other changes, it introduces the concept of the “management-defined performance measure” to financial statements and requires the classification of transactions presented within the statement of profit or loss within one of five categories – operating, investing, financing, income taxes, and discontinued operations. It also provides enhanced requirements for the aggregation and disaggregation of information.	Minor impact expected

3 Critical Accounting Estimates and Judgments

The Company make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

3 Critical Accounting Estimates and Judgments

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key judgements - incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

4 Revenue and Other Income

	2026 $	2025 $
- Test related revenue	**26,720,481**	21,770,843
- Government grants	**1,544,270**	1,505,800
- Other service revenue	**940,770**	1,088,337
- Dividends received	**900,836**	1,002,242
- interest received	**505,192**	433,040
	30,611,549	25,800,262

5 Cash and Cash Equivalents

Cash at bank and in hand	**9,791,608**	8,615,990
	9,791,608	8,615,990

6 Trade and Other Receivables

CURRENT		
Trade receivables	**195,455**	113,346
Franking credit receivables	**84,860**	68,220
	280,315	181,566

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

7 Other Financial Assets

	2026	2025
	$	$
CURRENT		
Term deposits	**7,866,148**	7,854,747
Operational capital pool*	**5,328,177**	5,258,398
	13,194,325	13,113,145
NON-CURRENT		
Long-term capital pool**	**21,286,498**	15,631,309
	21,286,498	15,631,309
	34,480,823	28,744,454

* The Board, in assessing NAATI's risk and investment return objectives have determined that NAATI needs to maintain sufficient cash on demand to meet expected operational expenses for a period of 90 days. In assessing the adequacy of this balance, the cash accounts listed in Note 5 also need to be considered. In accordance with the Financial Instruments Note 2(e) in the financial statements, funds invested with this short-term time frame are included in financial assets under the current assets heading. These assets are measured at fair value in the balance sheet with changes in this fair value recognised in other comprehensive income (Refer Note 2(e)).

** The non-current balance of NAATI's capital pool is disclosed as financial assets under the non-current assets heading. These investments are made in accordance with NAATI's Investment Policy Statement over the long term. The classification is in accordance with Note 2(e) of the financial statements as "Equity instruments" measured at fair value through other comprehensive income (Refer Note 2(e)).

8 Other Assets

CURRENT		
Prepayments	**566,629**	569,983
Accrued income	**237,693**	277,022
Rental Bonds	**41,615**	41,615
	845,937	888,620

9 Property, Plant and Equipment

	2026 $	2025 $
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	**272,395**	272,395
Accumulated depreciation	**(262,890)**	(261,545)
Total furniture, fixtures and fittings	**9,505**	10,850
Office equipment		
At cost	**58,546**	52,231
Accumulated depreciation	**(31,195)**	(28,253)
Total office equipment	**27,351**	23,978
Computer equipment		
At cost	**96,166**	90,127
Accumulated depreciation	**(30,702)**	(23,824)
Total computer equipment	**65,464**	66,303
Leasehold Improvements		
At cost	**2,625,052**	2,445,248
Accumulated depreciation	**(2,063,854)**	(1,917,398)
Total leasehold improvements	**561,198**	527,850
Technology upgrade		
At cost	**3,229,131**	2,517,698
Accumulated depreciation	**(2,201,181)**	(2,016,943)
Total technology upgrade	**1,027,950**	500,755
Capital Work in progress		
Total Capital Work in progress	-	-
Total plant and equipment	**1,691,468**	1,129,736
RIGHT-OF-USE		
Right-of-Use asset - Office Premises		
At cost	**6,629,631**	6,629,631
Accumulated depreciation	**(4,757,907)**	(4,070,436)
Total Right-of-Use asset - Office Premises	**1,871,724**	2,559,195
Total property, plant and equipment and ROU	**3,563,192**	3,688,931

9 Property, Plant and Equipment

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings	Office Equipment	Computer Equipment	Leasehold Improvements	Technology upgrade	Capital Work in Progress	Right-of-Use - Office Premises	Total
	$	$	$	$	$	$	$	$
Year ended 30 June 2026								
Balance at the beginning of year	**10,850**	**23,978**	**66,303**	**527,850**	**500,755**	**-**	**2,559,195**	**3,688,931**
Additions	**-**	**6,316**	**6,039**	**179,804**	**711,433**	**68,574**	**-**	**972,166**
Transfer	**-**	**-**	**-**	**-**	**-**	**68,574**	**-**	**68,574**
Depreciation expense	**(1,345)**	**(2,943)**	**(6,878)**	**(146,456)**	**(184,238)**	**-**	**(687,471)**	**(1,029,331)**
Balance at the end of the year	**9,505**	**27,351**	**65,464**	**561,198**	**1,027,950**	**-**	**1,871,724**	**3,563,192**

	Furniture, Fixtures and Fittings	Office Equipment	Computer Equipment	Leasehold Improvements	Technology upgrade	Capital Work in Progress	Right-of-Use - Office Premises	Total
	$	$	$	$	$	$	$	$
Year ended 30 June 2025								
Balance at the beginning of year	12,391	24,031	45,558	768,264	685,965	-	1,596,342	3,132,551
Additions	-	2,418	26,301	37,080	-	-	1,639,148	1,704,947
Depreciation expense	(1,541)	(2,471)	(5,556)	(277,494)	(185,210)	-	(676,295)	(1,148,567)
Balance at the end of the year	10,850	23,978	66,303	527,850	500,755	-	2,559,195	3,688,931

10 Trade and Other Payables

	2026	2025
	$	$
CURRENT		
Trade payables	**350,686**	238,551
GST payable	**101,124**	129,576
Sundry creditors and Accrued expenses	**1,353,541**	606,158
Other payables	**135**	425
	1,805,486	974,710

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

11 Lease Liabilities

Current		
Lease liabilities	**873,959**	766,173
	873,959	766,173
Non-Current		
Lease liabilities	**1,796,182**	2,666,436
	2,670,141	3,432,609

12 Employee Benefits

Current liabilities		
Long service leave	**934,228**	742,904
Annual leave provision	**419,737**	353,432
	1,353,965	1,096,336
Non-current liabilities		
Long service leave	**56,989**	216,770
	56,989	216,770

13 Contract Liabilities

CURRENT		
Test fees in advance	**5,492,606**	6,559,060
	5,492,606	6,559,060

14 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed are described below:

Specific risks

Liquidity risk

Credit risk

Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

Trade receivables

Cash at bank

Investments in listed shares

Trade and other payables

Lease liabilities

		2026 $	2025 $
Financial assets			
Held at amortised cost			
Cash and cash equivalents	5	**9,791,608**	8,615,990
Trade and other receivables	6	**280,315**	181,566
Term deposits	7	**7,866,148**	7,854,747
Fair value through Other Comprehensive Income (OCI)			
Operational capital pool	7	**5,328,177**	5,258,398
Long term capital pool	7	**21,286,498**	15,631,309
Total financial assets		**44,552,746**	37,542,010
Financial liabilities			
Financial liabilities at fair value			
Trade and other payables	10	**1,805,486**	974,710
Total financial liabilities		**1,805,486**	974,710

14 Financial Risk Management

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of NAATI's financial risk management framework. This includes the development of policies covering specific areas such as interest rate risk, liquidity risk and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and NAATI's activities.

The day-to-day risk management is carried out by NAATI's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Executive Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives regular reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash and marketable securities to meet its liquidity requirements for up to 90-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 90-day projection. Long-term liquidity needs for a 180-day and a 360-day period is identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Financial guarantee liabilities are treated as payable on demand since NAATI has no control over the timing of any potential settlement of the liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

14 Financial Risk Management

Liquidity risk

	Within 1 Year		1 to 5 Years		Total	
	2026	2025	2026	2025	2026	2025
	$	$	$	$	$	$
Financial liabilities due for payment						
Trade and other payables (excluding estimated annual leave)	**1,805,486**	974,710	**-**	-	**1,805,486**	974,710
Total contractual outflows	**1,805,486**	974,710	**-**	-	**1,805,486**	**974,710**

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables

Trade receivables consist of a large number of customers, spread across diverse geographical areas and amount payable by government entities for sponsoring candidates. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Entity is also exposed to earnings volatility on floating rate instruments.

14 Financial Risk Management

The financial instruments that expose the entity to interest rate risk are limited to lease liabilities, listed shares and fixed interest securities, and cash on hand.

The entity also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held. Such risk is managed through diversification of investments.

15 Reserves

(a) General reserve

The general reserve records funds set aside for future expansion of NAATI.

(b) FVOCI reserve

Change in the fair value of available for sale investments are recognised in other comprehensive income - financial asset reserve. Amounts are reclassified to profit or loss on disposal of the investment or when an impairment arises.

16 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

Financial assets

- Listed Shares
- Fixed Interest Securities
- Other Financial Assets
- Equity Securities at FVOCI

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

16 Fair Value Measurement

Fair value hierarchy

The table below shows the assigned level for each asset and liability held at fair value by the company:

30 June 2026	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements				
Financial Assets				
Term Deposits	**7,000,000**	**-**	**-**	**7,000,000**
Short term deposits	**866,148**	**-**	**-**	**866,148**
Equity Securities at FVOCI	**26,614,675**	**-**	**-**	**26,614,675**

30 June 2025	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements				
Financial Assets				
Term Deposits	7,000,000	-	-	7,000,000
Short term deposits	854,748	-	-	854,748
Equity Securities at FVOCI	20,889,707	-	-	20,889,707

17 Members' Guarantee

NAATI is a public company limited by guarantee and is a registered charity with the Australian Charities and Not-for-Profits Commission. In accordance with clause 1.5 of the NAATI Constitution, if NAATI is wound up, each Member's liability will not exceed $10.
As at 30 June 2026, the total number of members were 9 (2025 : 9).

18 Key Management Personnel Remuneration

The remuneration paid to key management personnel of NAATI during the year is as follows:

	2026	2025
	$	$
Short-term employee benefits	**959,481**	913,315
Long-term benefits	**107,764**	99,813
Directors' remuneration	**146,861**	127,888
	1,214,106	1,141,016

19 Auditors' Remuneration

Remuneration of the auditor of the company, PKF Canberra for:		
- auditing or reviewing the financial statements	**19,500**	19,500
	19,500	19,500

20 Contingencies

In the opinion of the Directors, the Company did not have any contingent assets or contingent liabilities as at 30 June 2026 (30 June 2025: Nil).

21 Related Parties

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

Key management personnel (KMP) - refer to Note 18.

There were no other transactions with KMP and their related entities.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

There were no transactions with related parties.

22 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2026	2025
	$	$
Surplus/(Deficit) for the year	**6,468,723**	7,590,783
Cash flows excluded from Surplus/ (Deficit) attributable to operating activities		
Dividend income treated separately	**(900,836)**	(1,002,242)
Non-cash flows in Surplus/(Deficit):		
- Depreciation and amortisation	**1,029,331**	1,148,567
- Finance cost on lease liability	**285,737**	264,716
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(59,420)**	(217,158)
- (increase)/decrease in prepayments	**3,354**	(459,345)
- increase/(decrease) in income in advance	**(1,066,454)**	926,292
- increase/(decrease) in trade and other payables	**830,776**	57,097
- increase/(decrease) in employee benefits	**97,848**	62,269
Cashflows from operations	**6,689,059**	8,370,979

23 Events After the End of the Reporting Period

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

24 Company Details

The registered office and principal place of business of the company is:
National Accreditation Authority for Translators and Interpreters Ltd (NAATI)
16/2 King Street
Deakin ACT 2600

National Accreditation Authority for Translators and Interpreters Ltd (NAATI)

A.B.N 42 008 596 996

Directors' Declaration

In accordance with the resolution of the Directors of National Accreditation Authority for Translators and Interpreters Ltd (NAATI) "The Registered entity" declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 8 to 32, satisfy the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 and:

   (a) comply with Australian Accounting Standards applicable to the Registered Entity; and

   (b) give a true and fair view of the financial position of the registered entity as at 30 June 2026 and of the performance for the year ended on that date.

2. In the directors' opinion, there are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with Subs 60.15(2) of the Australian Charities and Not-for-Profits Commission Regulation 2022.



Magdalena Rowan

Chair

Dated: 18 September 2026

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National Accreditation Authority for Translators and Interpreters Ltd (NAATI)

Independent Audit Report to the members of National Accreditation Authority for Translators and Interpreters Ltd (NAATI)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of National Accreditation Authority for Translators and Interpreters Ltd (NAATI) (the registered entity), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the registered entity is in accordance with the *Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012* (ACNC Act), including:

(i) giving a true and fair view of the registered entity's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and Division 60 *of the Australian Charities and Not-for-Profits Commission Regulations 2022.*

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 registered entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

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.

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If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act 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 registered entity'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 registered entity 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 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.

As part of an audit in accordance with the 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 the internal controls 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' 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 registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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.

PKF Canberra

PKF Canberra

Stephen Agarwal
Registered Company Auditor
Audit Partner

Dated: 18 September 2016

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