

ANNUAL REPORT 2019



**Rural Financial
Counselling Service**
Victoria – Gippsland

RFCS Gippsland proudly supports agricultural and small businesses to become more profitable, resilient and sustainable





contents

our organisation 7

client profile 9

our challenges 11

our achievements 13

strategic focus 15

financial summary 17



chair's message

It's been a challenging year for our farmers and our service with the impact of the ongoing drought and dry conditions felt across our region. The RFCS Board visited eastern Gippsland to see first-hand impacts to farmers, service providers and our staff.

We implemented a range of measures in response to increased demand to further support clients as well as our Counsellors.

As a Board we regularly monitor safety, health and wellbeing of our staff and farming families to ensure we deliver on our commitment to provide a holistic level of care and service.

I thank clients past and present who participated in the Federal Government survey this year. The feedback provided will go a long way to improve and enhance our services into the future.

Our Board and Management appreciate support of Federal and State Agricultural sectors to provide our rural communities with the ongoing financial counselling, planning and assistance that is needed to help them become more profitable, resilient and sustainable.

Aubrey Pellett
Chair, RFCS Gippsland



our appreciation

This year we have enhanced engagement and partnerships with a number of service and support providers across Gippsland.

This enabled us to provide more than just Financial Counselling. We were able to connect clients with additional assistance during these current difficult conditions, as well as advocate and initiate further support opportunities.

On behalf of RFCS Gippsland and our farmers, I sincerely thank the Red Cross, Heyfield Lions Club and Michael's IGA with Victoria's IGA Farmers Fund for their ongoing commitment and support to our farming families. This financial year we received a massive total of \$1,082,000 in donations to distribute directly to these families most in need.

We are grateful for the donors who are continuing to partner with us to ensure emergency relief continues to be offered to our clients hardest hit by this ongoing drought.

Thank you

Kylie Holmes

Executive Officer, RFCS Gippsland

Management & Rural Financial Counsellors



Taylor Hammond
Comms & Marketing



Kylie Holmes
Executive Officer



Megan Colahan
Finance & Admin



Jenny Mason
Senior Coordinator



Anne Gilligan
RFC Leongatha



Wayne Sanders
RFC Leongatha



Jane Coots
RFC Ellinbank



Trudi Laing
RFC Maffra



Peter Pauwels
RFC Bairnsdale



Wayne Jefferis
RFC Bairnsdale



Sarah Bardsley
RFC Maffra



Michael Anderson
RFC Small Business



Marshall Scott
RFC Ellinbank

* Chris Marshall, RFC Support Officer in East Gippsland commenced April 2019

our organisation

Board of Directors



Aubrey Pellett

Chair



Richard Habgood

Deputy Chair



Robin Lowe

Treasurer



Garry van Sinderen



Clare Adams



Raelene Hanratty



Dean Cullen



Leonie Coleman

Retiring Member

86 exited clients

Enterprise Sold - Involuntary
Diversified Enterprise
Death

Personal reasons (e.g. relationships)

Unable to commit to the requirements

No longer eligible

Enterprise sold – Voluntary

Short Term Emergency Support

Accessed alternative support

Achieved their goals

70% of exiting clients
achieved their goals with:

3% diversifying business

9% voluntarily sold business

13% only seeking short-term assistance

Survey results indicated:

94% improved understanding in their
relevant business planning areas

majority improved confidence
making business decisions

90% implemented strategies for their business



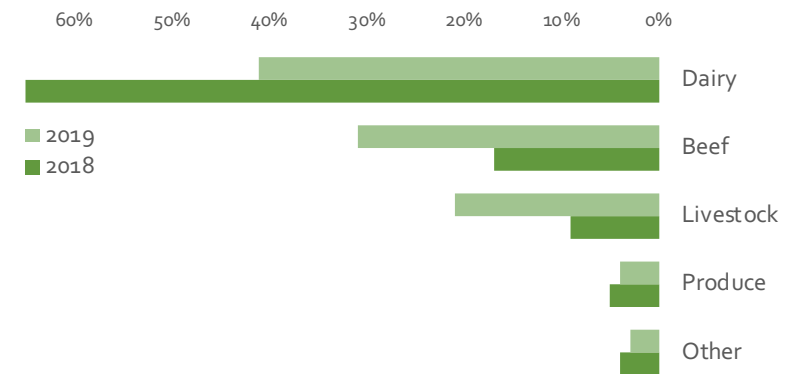
client profile

Beef and sheep farmers from the far east regions of Gippsland, many who have never engaged with us in the past, have now sought our services due to the severe impacts of drought

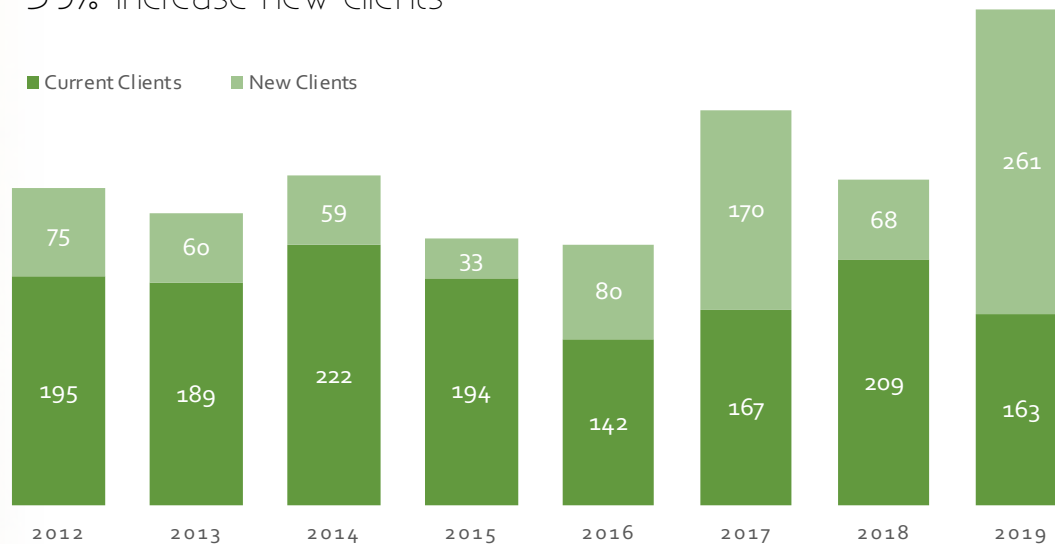
compared to previous
7 year average:

235% increase service demand

59% increase new clients



■ Current Clients ■ New Clients



case study: benefits of being proactive

We're only in our 40's but have been dairy farmers for over 20 years. We first contacted RFCS Gippsland in 2016 for help with the Dairy Recovery Concessional Loan, but weren't successful and our financial situation got worse. In 2017 we contacted RFCS again after our bank offered Farm Debt Mediation because we couldn't pay our mortgage principal. Initially angry with the bank, our Counsellor explained the process and options it would create, so we went ahead with it.

During the dairy downturn, we purchased additional land at top dollar, overcommitting too quickly. Since then we had been trying to sell one of our properties to pay off creditors and release our family guarantors, but after 2 years we hadn't had success.

We felt like failures. The shame stopped us being forthcoming with information to our Counsellor, making it quite difficult for them to engage with us. We were in denial, but they persisted and finally helped us realise our true financial situation.

Our RFCS Counsellor discussed options of moving milk processors to get a better price; changing to organic milk; or selling all our properties and downsize to a less intensive farm, which was our final decision.

The bank mediation allowed us to continue farming while selling the properties, which finally happened. We cleared our debts, were able to release our family as guarantors, and are now operating a smaller farm.

We learnt that it's much better to be proactive and face our financial challenges rather than burying our heads in the sand.



A close-up photograph of a person's hands, wearing a blue long-sleeved shirt, holding a small amount of dark, granular material (possibly sand or soil) in their palm. The hands are positioned over a larger pile of the same material, and some of it is falling from the fingers. The background is a light, neutral color.

our challenges

Overall the year was challenging responding to rapid growth in demand due to the enduring dry conditions, including dairy regions impacted by the drought and record high feed prices on the back of a tough recovery period for dairy farmers.

Service demand against the previous 7 year average raised 235% for new clients, with overall demand increasing 59%.

Priority of providing timely response, with wait times often exceeding internal guidelines, became a challenge for resourcing; workloads and Counsellor wellbeing.

During this period, client engagement was predominantly focused on meeting their immediate needs for financial assistance and other support programs. Applying for additional resourcing allowed RFCS Counsellors the opportunity to conduct more comprehensive analysis and long-term planning; which is the real value of what we do for our clients.

Deferral of some organisational strategic initiatives was required and will be revisited by Board and Management as conditions and resourcing stabilise during 2020.

case study: debt free future

I was a dairy farmer for 18 years affected by the 2016 dairy industry downturn that greatly impacted my income and increased debts.

I contacted RFCS Gippsland for assistance with the Farm Household Allowance and apply for a Dairy Recovery Concessional Loan as I wanted to continue farming with the hope to reduce debt and increase production, also supporting my son.

My RFCS Counsellor helped me immediately with emergency funding of donations being offered by the Red Cross, CWA and the State Government's Farm Business Assistance, but then I had to face the difficult decisions of how to get out of debt.

We discussed options of selling my livestock as I had no other cash or asset reserves, and I wasn't able to refinance as I didn't have enough equity or cashflow to keep supporting the farm. I even had to consider subdivision and sale options. I had credit payment plans in place so wasn't keen on engaging Farm Debt Mediation with the bank.

My Counsellor helped me assess, realise and accept my actual financial position. The reality of my future was made clear, I had to sell the farm and livestock. It was heartbreaking. I spent so many years hoping it wouldn't come to this, but the financial stress was overwhelming.

Accepting this decision has actually alleviated this stress and I now have a positive outlook of a debt free future.





our achievements

Partnered with Australian Red Cross to deliver \$1million emergency drought relief to farmers in East Gippsland and Wellington Shires.

Launched mental health campaign 'DETECT & PROTECT' initiating a forum for rural service providers and stakeholders with expert panelists.
Delivered RUOK? training with Lifeline Gippsland and Wellways for frontline farm service providers.

Attended 126 stakeholder and community events.

Member of various advisory committees for farmer support and are active partners in drought support and wellbeing forums.
Have become the primary advisory on farmer distressors and needs.

Improved centralised access to information.
Developed an online resource 'Client Care Hub' of available assistance to farmers, businesses and families.

Extended professional support to non-farming Small Businesses affected by the drought.

Launched Facebook page @RFCSGipp.

case study: thriving business

We're a small business with revenue that was reliant on dairy farmers. We used to do quite well, however, the drought had caused our business to come to a standstill.

We got behind on equipment instalments and couldn't pay our utility bills, dreading each day with the threat of our power being cut or machinery repossessed. Helplessness and depression set in and we started to lack any motivation.

We reached out to engage RFCS Gippsland's small business services. Immediately our Counsellor negotiated payment plans for our utilities, but the equipment financier wasn't flexible, paying over 18% for the hire/purchase loan. Our Counsellor identified options and to consider transferring this debt to property equity. We did this, dropping payments by 1/3, saving \$837 a month. We can now pay the loan off faster and free up cashflow.

What's more, our Counsellor gently persuaded us to talk with a GP about mental health, helping achieve a positive mindset.

The most effective outcome was our Counsellor helped us see what our skills were, the positive reputation we had, and to not rely on it 'raining one day'. Proactively we assessed options to diversify services using the skills and assets we have.

We expanded into domestic work and engaged a digital marketer to promote the service and the great feedback we were getting. It's been 3 months now and the work keeps coming in.

We look forward to the monthly coaching sessions with our Counsellor that helps us continue to grow a successful business. RFCS Gippsland gave us clarity and hope again.



strategic focus

Recognising our unique position in rural communities as a trusted, independent organisation means we are well placed to offer new and complimentary services where there is unmet need, through collaborating or partnering with specialised agencies to deliver more holistic support.

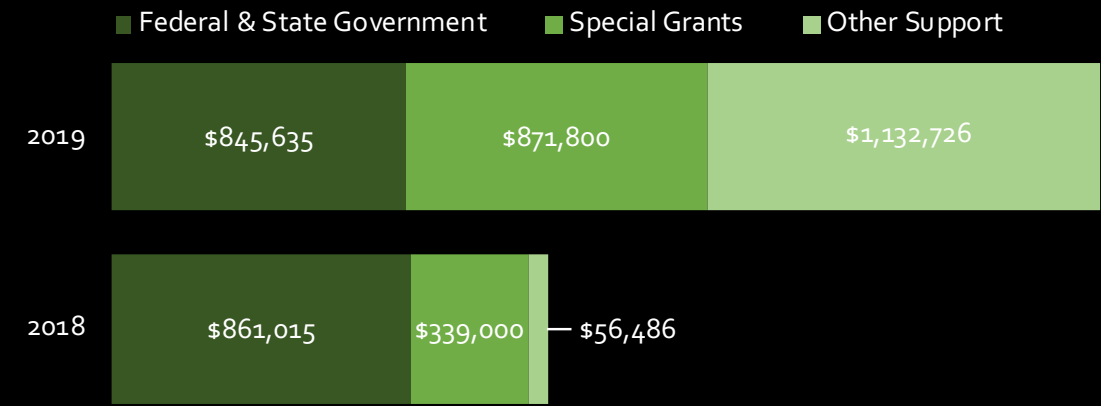
DETECT & PROTECT campaign will continue to ensure ongoing farming and rural community wellbeing support.

Professional support services for Small Businesses will continue to progress while they are also being impacted by the ongoing drought.

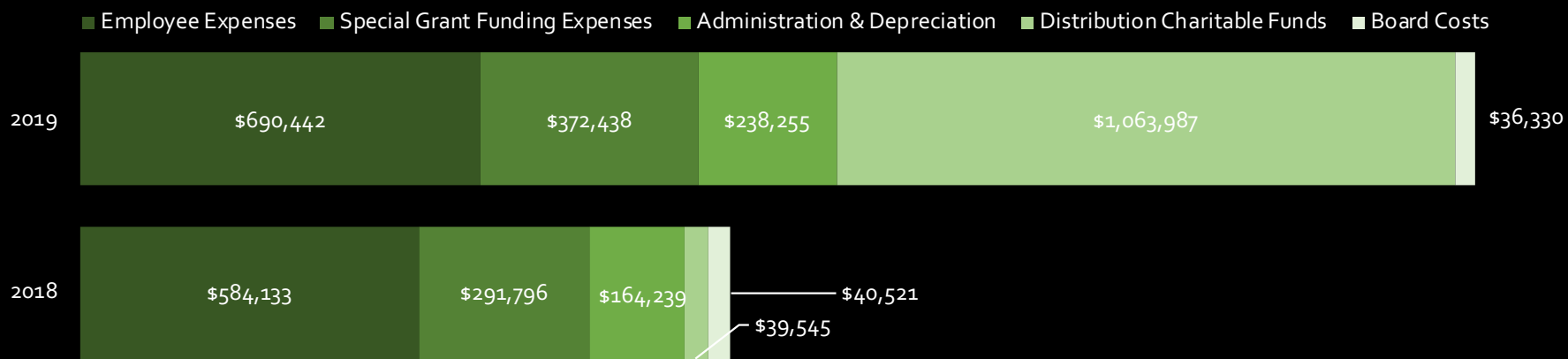
Employing a Business Development Officer with a Communications and Marketing Manager will drive these strategic priorities, enhance engagement; improve practices and efficiencies, and ensure that our service is best positioned to make informed evidenced based decisions for the future.



total funding \$2.85m



total expended \$2.4m



A black and white cow is grazing in a green field. The cow is positioned on the left side of the frame, facing right. The background is a soft-focus green field with some small white flowers in the foreground.

financial summary

The net profit result of \$0.448M for the year ending 30 June 2019 primarily reflects additional drought funding received from the State Government towards the end of the 2019 financial year. These carry over funds will be expended during 2019-20.

The funds will be used to maintain additional staff employed to support the increasing number of farmers in drought affected areas reaching out for assistance.

Small Business Support funding received from the State Government and Financial Counselling Foundation in partnership with ANZ will see the service continue into 2019/2020 as the effects of drought continue to impact small businesses.

We were fortunate to have received significant donations from the Red Cross; Michael's IGA; Metcash; and Rotary Clubs. With the assistance of additional support staff, these funds are continuing to be distributed to drought affected farming families in East Gippsland and Wellington Shires.

INDEPENDENT AUDITOR'S REPORT

To the Members of Rural Financial Counselling Service Victoria - Gippsland

Opinion

We have audited the accompanying financial report of Rural Financial Counselling Service Victoria - Gippsland ("the Entity"), which comprises the statement of financial position as at 30 June 2019, the statement of financial performance and comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the board declaration.

In our opinion, the financial report presents fairly, in all material respects, the financial position of Rural Financial Counselling Service Victoria - Gippsland as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Committee for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Reform Act 2012*, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The Board is responsible for overseeing the Entity's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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



Justin Brook
Director
GippsAudit Pty Ltd

Date: 7th October 2019
Place: Sale

Statement of Financial Performance and Comprehensive Income

as at 30 June 2019

		2018-2019	2017-2018
	Notes	\$	\$
Revenue			
Australian & State Government funding	2	845,635	861,015
Special grant funding	3	871,800	339,000
Other revenue	4	1,132,726	56,486
Total Revenue		2,850,161	1,256,501
Expenditure			
Employment related expenses	5	661,219	555,009
Vehicle costs (running and lease costs)		29,223	29,124
Board costs		36,330	40,521
Special grant funding expenditure	6	372,438	291,796
Other expenses	7	1,302,242	203,784
Total Expenditure		2,401,452	1,120,235
Net profit before income tax		448,709	136,266
Income tax		-	-
Other comprehensive income		-	-
Net Profit for the year		448,709	136,266



Statement Financial Position

as at 30 June 2019

	Notes	2018-2019 \$	2017-2018 \$
Assets			
Current Assets			
Cash and cash equivalents	8	1,288,609	988,758
Trade and other receivables	9	205,000	-
Other current assets	10	6,302	6,548
Total current assets		1,499,911	995,306
Non Current Assets			
Motor Vehicles	11	122,566	89,074
Total Non Current Assets		122,566	89,074
Total Assets		1,622,477	1,084,379
Liabilities			
Current Liabilities			
Trade and other payables	12	76,931	35,014
Employee provisions	13	157,012	115,079
Total Current liabilities		233,944	150,093
Non-Current Liabilities			
Employee provisions	13	8,451	2,913
Total Non-Current Liabilities		8,451	2,913
Total Liabilities		242,395	153,006
Net Assets		1,380,082	931,373
Equity			
Retained surplus		931,374	795,107
Current year surplus / (deficit)		448,709	136,266
Total Equity		1,380,082	931,374

This statement should be read in conjunction with the notes to the financial statements

Statement of Changes in Equity

for the year ending 30 June 2019

Notes	Reserves	Retained Earnings	Total Equity
	\$	\$	\$
Changes in equity for the year 2018			
Balance at 1 July 2017	-	795,107	795,107
Net profit for the year	-	136,266	136,266
Balance at 30 June 2018	-	931,374	931,374
Changes in equity for the year 2019			
Net profit for the year	-	448,709	448,709
Balance at 30 June 2019	-	1,380,082	1,380,082



Cash Flow Statement

for the year ending 30 June 2019

	Notes	2018-2019 \$	2017-2018 \$
Cash flows from operating activities			
Grant receipts		1,512,435	1,253,365
Interest received		5,059	4,902
Cash donations received		1,053,811	46,448
Other receipts		73,856	-
Payments to suppliers and employers		(2,289,582)	(1,091,361)
Net cash provided by operating activities	19	355,578	213,354
Cash flows from investing activities			
Net proceeds from sale of plant and equipment		70,420	-
Purchase of plant and equipment		(126,148)	(28,048)
Net cash (used in) investing activities		(55,728)	(28,048)
Net increase (decrease) in cash held		299,851	185,306
Cash at the beginning of the financial year		988,758	803,453
Cash at the end of the financial year	8	1,288,609	988,758

Notes to the Financial Statements

for the year ending 30 June 2019

Note 1: Summary of Significant Accounting Policies

These financial statements cover Rural Finance Counselling Service Victoria - Gippsland as an individual entity. Rural Finance Counselling Service Victoria - Gippsland is an incorporated association incorporated in Victoria and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the requirements of the Associations Incorporation Reform Act 2012. The entity is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for cash flow information, have been prepared on an accrual 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 amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Income Tax

The association is exempt from tax for income tax purposes.

(b) Motor Vehicles

Motor vehicles are measured at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of motor vehicles is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present. The recoverable amount is assessed as the depreciated replacement cost of an asset.

Depreciation

The depreciable amount of all fixed assets are depreciated on a diminishing value basis over their useful lives from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Motor Vehicles 25% DV

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss in the period in which they occur.

(c) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

(d) Financial Instruments

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

(ii) Classification and subsequent measurement

"Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets are classified into amortised costs.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as fair value through profit or loss (FVPL)):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments. "

(iii) Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

(iv) Impairment of Financial Assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. The entity considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(v) Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, canceled or expire.

The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(e) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(f) Employee Provisions

Provision is made for the entity'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 settled within one year of the end of the reporting period have been measured at the amounts expected to be paid when the liability is settled. 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 related on-costs and the probability that the employee may not satisfy any vesting requirements. The estimated cash outflows are discounted using market yields on national government bonds with maturity terms that match the expected timing of cash outflows.

Obligations for long term employee benefits are classified as non-current except where there is no unconditional right to defer payment, in which case they are presented as current.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts.

(h) Trade and Other Receivables

Accounts receivable and other debtors include amounts due from customers for events, services, and goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially measured at fair value and subsequently measured at amortised cost, less any provision for impairment.

(i) Revenue and other income

Revenue from the sale of goods and rendering of a service is recognised upon the delivery of the goods or service to the customer.

Funding revenue is recognised in the reporting period that funds are received, in accordance with the applicable funding deeds. Delivery of services may be provided in future reporting periods.

Donations, fundraising revenue and bequests are recognised as revenue when received.

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

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Accounts Payable and Other Payables

Accounts payable and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the entity during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Critical Accounting Estimates and Judgments

The entity evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Notes to the Financial Statements

continued

for the year ending 30 June 2019

Note 2:
Government grants received
as per Funding Deeds

Australian Government Funding
Victorian Government Funding
Total Government grants received

2018-2019 \$	2017-2018 \$
703,290	721,047
142,345	139,968
845,635	861,015

Note 3:
Special Government grants received

Australian Government Funding - Contingency (2019 Drought, Dairy 2018)
Victorian Government Funding (Other)
Victorian Government Contingency Funding (Drought and Small Business)
Other Funding (Small Business Support)
Total Special Government grants received

2018-2019 \$	2017-2018 \$
100,000	160,000
183,500	179,000
502,500	-
85,800	-
871,800	339,000

Note 4:
Other revenue

Interest
Donations
Other sundry income
Total Other revenue

2018-2019 \$	2017-2018 \$
5,059	4,902
1,053,811	46,448
73,856	5,136
1,132,726	56,486

Note 5:
Employment related expenses

Base salary
Superannuation
Allowances/other
Total remuneration package
Workers compensation insurance
Other
Total Employment Costs

2018-2019 \$	2017-2018 \$
530,797	499,867
51,624	47,884
12,764	14,218
595,186	561,970
1,275	1,099
64,758	-
661,219	555,009

Note 6:	Australian Government Funding - Contingency (2019 Drought, Dairy 2018)
Special Grant Funding Expenditure	Employment costs
	Vehicle costs
	Office Accommodation / IT costs
	Total contingency funding expenditure
	Victorian Government Funding (Other)
	Employment costs
	Vehicle costs
	Office Accommodation / IT costs
	Total other funding expenditure
	Victorian Government Contingency Funding (Drought and Small Business)
	Employment costs
	Vehicle costs
	Office Accommodation / IT costs
	Total Victorian Government Contingency Funding (Drought) expenditure
	Other Funding (Small Business Support)
	Employment costs
	Vehicle costs
	Office Accommodation / IT costs
	Total Other Funding (Small Business Support) expenditure
	Total Special Grant Funding (as per Note 3)
	Total Special Funding Expenditure

2018-2019	2017-2018
\$	\$
100,000	160,000
81,524	107,589
13,520	17,085
14,628	20,357
109,672	145,031
183,500	179,000
91,851	93,928
4,327	4,814
15,719	16,058
111,897	114,800
502,500	-
118,000	27,314
957	76
15,568	4,575
134,524	31,965
85,800	-
13,061	
-	
3,283	
16,344	-
871,800	339,000
372,437	291,796

Note 7:	Communication Costs
Other expenses	Depreciation
	IT Costs
	Marketing & Promotions
	Office expenses
	Contractors (policy/strategic plan)
	Staff Training incl travel/accommodation/meals
	Other
	Distribution of charitable funds (donations) and associated costs
	Total Other expenses

2018-2019	2017-2018
\$	\$
12,269	15,470
32,936	25,593
6,561	7,860
41,511	16,479
73,818	52,992
16,546	17,056
24,844	21,164
29,768	7,625
1,063,987	39,545
1,302,242	203,784



Note 8:

Cash and cash equivalents

Cash at Bank - Operating Account
Cash at Bank - Online Saver Account
Cash at Bank - DEDJTR & Reserve Funds
Cash at Bank - RFCSVG Emergency Account
Cash at Bank - Other
Total cash and cash equivalents

2018-2019 \$	2017-2018 \$
55,620	83,882
173,989	320,030
947,503	549,607
19,014	29,191
92,482	6,050
1,288,609	988,758

Note 9:

Trade and other receivables

Other receivables - State Funding (Drought)
Other receivables - RFCS Network
Total Trade and other receivables

2018-2019 \$	2017-2018 \$
165,000	-
40,000	-
205,000	-

Note 10:

Other current assets

Prepaid expenses
Total other current assets

2018-2019 \$	2017-2018 \$
6,302	6,548
6,302	6,548

Note 11:

Property, plant and equipment

Motor Vehicles
Less accumulated depreciation
Total Property, plant and equipment

2018-2019 \$	2017-2018 \$
154,197	143,986
(31,631)	(54,911)
122,566	89,074

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

	Motor vehicles	Total
Balance 1 July	89,074	89,074
Additions	126,148	126,148
Disposals	(59,720)	(59,720)
Less depreciation	(32,936)	(32,936)
Balance 30 June 2019	122,566	122,566

Note 12:

Trade and other payables

Accounts Payable
Accrued expenses
PAYG payable
GST Payable
Total trade and other payables

2018-2019 \$	2017-2018 \$
3,606	
32,798	24,550
9,179	7,752
31,348	2,712
76,931	35,014

		2018-2019 \$	2017-2018 \$
Note 13: Provisions	Short term provisions (Payable within 12 months)		
	Provision for employee annual leave entitlements	79,412	43,024
	Provision for employee long service leave entitlements	77,600	72,055
		157,012	115,079
	Long term provisions (Payable after 12 months)		
	Provision for employee long service leave entitlements	8,451	2,913
		8,451	2,913

		2018-2019 \$	2017-2018 \$
Note 14: Capital commitments	Motor vehicles	-	50,253
	Total capital commitments	-	50,253

Capital commitments relate to motor vehicles where funds have been committed but the assets not yet received (2018).

Note 15: Prior year reporting adjustments	Nil
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Note 16:
Key Management Personnel Compensation

Any person having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including committee members, is considered key management personnel.
The totals of remuneration paid to key management personnel of the entity during the year are as follows:

	2018-2019 \$	2017-2018 \$
Key management personnel	111,675	101,322

Note 17:
Other related party transactions

During the year the Service did not enter into any transactions with related parties, (2018: \$Nil).

Note 18:
Contingent Assets/Liabilities

There are no contingent assets or liabilities at balance date.

Note 19:**Cash Flow Reconciliation**

Cash in the statement of cash flows is reconciled to the statement of financial position

Cash and cash equivalents

2018-2019

\$

1,288,609

2017-2018

\$

988,758

Reconciliation of cash flows from operating activities

Net profit after income tax

448,709

136,266

Depreciation

32,936

25,593

(Profit)/ loss on sale of plant and equipment

(5,981)

-

Decrease/ (increase) in trade and other receivables

(205,000)

53,350

Decrease/ (increase) in other current assets

(12,849)

(6,548)

Increase/ (decrease) in trade and other payables

41,917

12,751

Increase/ (decrease) in provisions

55,847

(8,059)

Net cash provided by/ (used in) operating activities

355,579

213,353

Note 20:**Financial Risk Management**

The entity's financial instruments consist mainly of deposits with banks, loans to related entities, accounts receivable and payable amounts for each category of financial instruments are as follows:

2018-2019

\$

1,288,609

2017-2018

\$

988,759

Financial assets

Cash and cash equivalents

1,288,609

988,759

Loans and receivables

-

-

Total financial assets

1,288,609

988,759

Financial liabilities

Financial liabilities at amortised cost:

Trade and other payables

76,931

57,340

Total financial liabilities

76,931

57,340

Note 21:**Economic Dependence**

Rural Financial Counselling Service Victoria Gippsland is dependent on funding from the Victorian State Government Department of Jobs, Precincts and Regions and the Commonwealth Government Department of Agriculture and Water Resources for the majority of its revenue used to operate the business. At the date of this report the Board of Directors have no reason to believe that the respective Governments will not continue to support Rural Financial Counselling Service Victoria - Gippsland.

Note 22:**Entity Details**

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

1 Peart Street

Leongatha VIC 3953

We received support from knowledgeable people at RFCS Gippsland which gave us confidence to make decisions. This had a positive emotional effect on me especially, and helped me keep going.

client farmer 2018-19



BOARD DECLARATION

FOR THE YEAR ENDED 30 JUNE 2019

The Board of Rural Financial Counselling Service Victoria - Gippsland, declare that the financial statements:

1. Presents a true and fair view of the financial position of Rural Financial Counselling Service Victoria - Gippsland as at 30 June 2019 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial statements.
2. At the date of this declaration, there are reasonable grounds to believe that Rural Financial Counselling Service Victoria - Gippsland will be able to pay its debts as and when they fall due.

This declaration is made in accordance with a resolution of the committee and is signed for and on behalf of the Board by:



Name: Aubrey Pellett

Position: Chair

Date: 7 October 2019



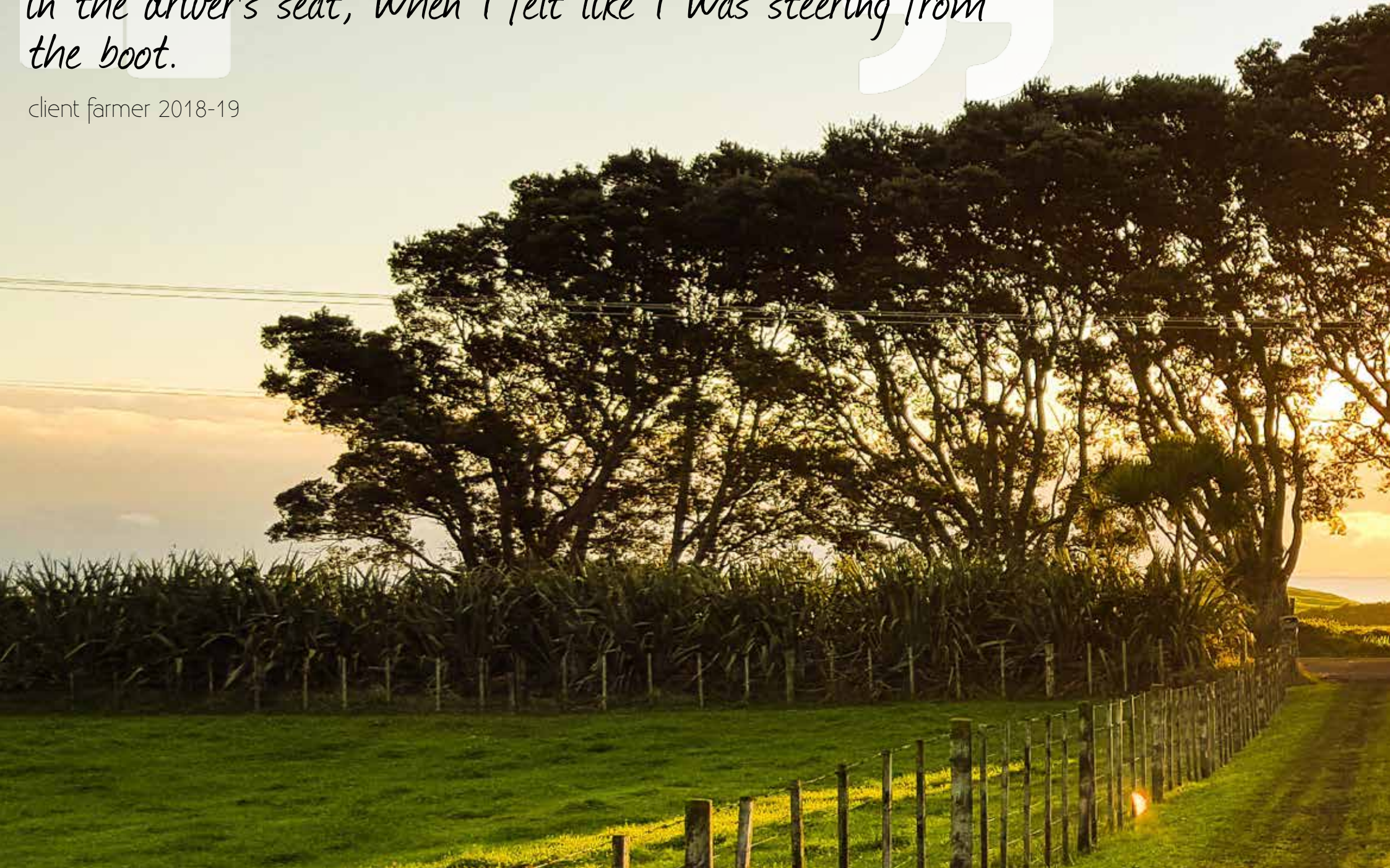
Name: Kylie Holmes

Position: Executive Officer

Date: 7 October 2019

In a supportive, non judgmental way, RFCS put me back in the driver's seat, when I felt like I was steering from the boot.

client farmer 2018-19







Rural Financial Counselling Service

Victoria – Gippsland

ABN 52 091 551 739

www.ruralfinancialcounselling.org.au



Rural Financial Counselling Service (RFCS) Victoria Gippsland Incorporated

Content of the 2019 Annual Report originated from the funding acquittal reporting submitted to the Commonwealth and State Government Departments during the 2018-2019 funding period.