

# FINANCIAL REPORT 2020-2021

Execution of program  
funding is conducted with  
strong fiscal responsibility  
& governance

Audit



**RFCS**  
Gippsland

*rural business is our business*

## RURAL FINANCIAL COUNSELLING SERVICE VICTORIA - GIPPSLAND

### BOARD DECLARATION

#### FOR THE YEAR ENDED 30 JUNE 2021

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 2021 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: 14 October 2021

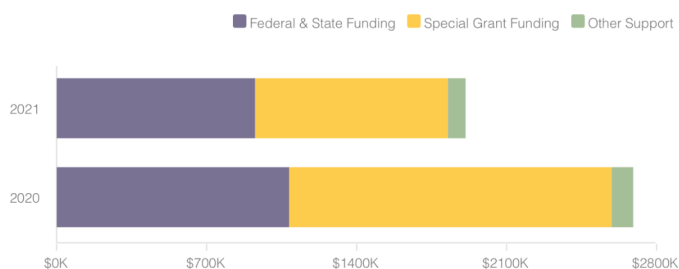


Name: Kylie Holmes  
Position: Executive Officer  
Date: 14 October 2021

# \$1.913M

## TOTAL FUNDING

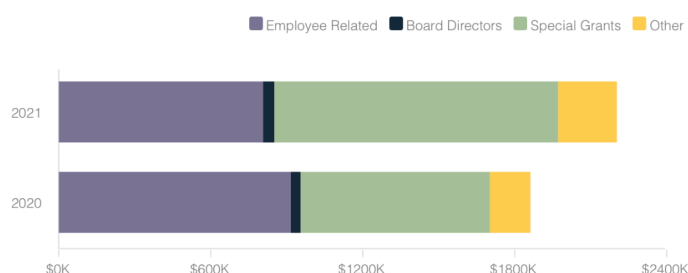
Significant funding was received in June 2020 contributing to higher funding recorded in previous financial year



# \$2.209M

## TOTAL EXPENDED

Current year expenditure associated with funding received in previous year. Prior year surplus used to fund additional positions in 2020-2021 supporting drought, bushfire and COVID impacted clients. Some unspent funding will be used to continue these positions until 31 December 2021



## **Independent Auditor's report to the members of Rural Financial Counselling Service Victoria - Gippsland Incorporated**

### **Opinion**

We have audited the financial report of Rural Financial Counselling Service Victoria – Gippsland Incorporated ("the association"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the certification by members of the committee.

In our opinion, except for the matter noted below, the accompanying financial report of the association is in accordance with the *Associations Incorporation Reform Act 2012 (VIC)*, including:

- (i) giving a true and fair view of the association's financial position as at 30 June 2021 and of its financial performance for the year the then ended; and
- (ii) that the financial records kept by the association are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

### **Qualification**

The association has recognised a provision for redundancy costs due to conditions of a funding agreement. AASB 137 sets out specific reasons whereby such a provision can be raised and the association does not meet these conditions. The quantum of the redundancy provision is \$167,344 at 30 June 2021 and this is a material item in the Balance Sheet.

### **Basis for Opinion**

We conducted our audit in accordance with the Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with 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.

### **Information Other than the Financial Report and Auditor's Report Thereon**

The committee of the association is responsible for the other information. The other information comprises the information included in the association's annual report for the year ended 30 June 2021, but does not include the financial report and our auditors 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 information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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 the Committee for the Financial Report**

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporated Reform Act 2012* (VIC) and for such internal control as the committee determines 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 committee is responsible for assessing the ability of the association to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

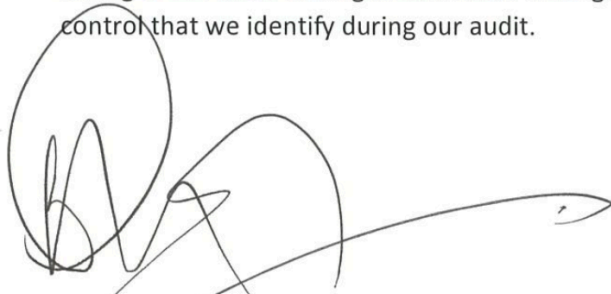
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the association's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Graham Morris

Billings + Ellis

Level 2, 33 Bank Street, South Melbourne VIC 3205

Dated this 11<sup>th</sup> day of October 2021

## Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2021

	Notes	2020-2021	2019-2020
<b>Revenue</b>		<b>\$</b>	<b>\$</b>
Australian & State Government funding	2	928,578	1,086,941
Special grant funding	3	901,306	1,508,490
Other revenue	4	83,315	101,506
<b>Total Revenue</b>		<b>1,913,199</b>	<b>2,696,937</b>
<b>Expenditure</b>			
Employment related expenses	5	792,805	891,296
Vehicle costs		15,375	27,287
Board costs		45,283	39,118
Special grant funding expenditure	6	1,123,439	749,062
Other expenses	7	232,724	160,699
<b>Total Expenditure</b>		<b>2,209,626</b>	<b>1,867,462</b>
<b>Net surplus (deficit) before income tax</b>		<b>(296,427)</b>	<b>829,475</b>
Income tax		-	-
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Net surplus (deficit) for the year</b>		<b>(296,427)</b>	<b>829,475</b>

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

## Statement of Financial Position

For Year Ended 30 June 2021		2020-2021	2019-2020
	Notes	\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8	2,243,303	2,219,494
Trade and other receivables	9	21,282	264,000
Other current assets	10	69,802	9,229
<b>Total current assets</b>		<b>2,334,387</b>	<b>2,492,723</b>
<b>Non Current Assets</b>			
Motor Vehicles	11	166,629	164,046
<b>Total Non Current Assets</b>		<b>166,629</b>	<b>164,046</b>
<b>Total Assets</b>		<b>2,501,016</b>	<b>2,656,769</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	12, 14	290,439	124,426
Employee provisions	13	158,131	163,709
<b>Total Current liabilities</b>		<b>448,570</b>	<b>288,135</b>
<b>Non-Current Liabilities</b>			
Employee provisions	13	174,780	159,076
<b>Total Non-Current Liabilities</b>		<b>174,780</b>	<b>159,076</b>
<b>Total Liabilities</b>		<b>623,349</b>	<b>447,211</b>
<b>Net Assets</b>		<b>1,877,667</b>	<b>2,209,558</b>
<b>Equity</b>			
Retained surplus	14	2,209,558	1,380,082
Current year surplus / (deficit)	16	(331,891)	829,475
<b>Total Equity</b>		<b>1,877,667</b>	<b>2,209,558</b>

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



## Statement of changes in equity

for the year ended 30 June 2021

	Notes	Reserves \$	Retained Surplus \$	Total Equity \$
<b>Changes in equity for the year 2020</b>				
Balance at 1 July 2019		-	1,380,082	1,380,082
Net Surplus / (deficit) for the year		-	829,475	829,475
<b>Balance at 30 June 2020</b>		-	<b>2,209,558</b>	<b>2,209,558</b>
<b>Changes in equity for the year 2021</b>				
Net Surplus / (deficit) for the year		-	(296,427)	(296,427)
Recognition of RFCS Network funds	16	-	(35,464)	(35,464)
<b>Balance at 30 June 2021</b>		-	<b>1,877,667</b>	<b>1,877,667</b>

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

## Statement of Cashflows

for the year ended 30 June 2021

	Notes	2020-2021	2019-2020
<b>Cashflows from Operating Activities</b>		<b>\$</b>	<b>\$</b>
Receipts from Grants & other income	2	2,153,543	2,634,833
Payments to Suppliers and Employees		(2,086,984)	(1,632,755)
<b>Net cash provided by operating activities</b>		<b>66,559</b>	<b>1,002,078</b>
<b>Cash flows from investing activities</b>			
Interest Received	4	2,374	3,104
Proceeds from sale of assets	11	29,000	17,010
Purchase of plant and equipment	11	(74,124)	(91,308)
<b>Net cash (used in) investing activities</b>		<b>(42,750)</b>	<b>(71,194)</b>
<b>Cash flows from borrowing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
<b>Net cash provided (used in) financing activities</b>		<b>-</b>	<b>-</b>
Net increase (decrease) in cash held		23,810	930,884
Cash at the beginning of the financial year		2,219,494	1,288,609
<b>Cash at the end of the financial year</b>	8	<b>2,243,303</b>	<b>2,219,494</b>

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

## Notes to the accounts

RFCS Gippsland

### 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*. RFCS Gippsland 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 depreciation rates used for each class of depreciable assets are:

Motor vehicles	25%
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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 and finance leases are recognised as an asset at cost value for the term of the lease, and unpaid lease payments will be recognised as a lease

liability. RFCS Gippsland does not recognise any *Right of Use Assets* or corresponding *Lease Liabilities* under AASB 16.

#### **(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.



#### **(d) Financial Instruments (continued)**

##### **(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, cancelled 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 three 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 AASB1058 and as per the guidelines applicable to the Commonwealth and State 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 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 accounts (continued)

The financial statements and associated notes may contain rounding of some figures

Notes to the accounts		2020-2021	2019-2020
RFCS Gippsland		\$	\$
<b>Note 2:</b>	Australian Government Funding	591,917	764,026
<b>Government grants received</b>	Victorian Government Funding	336,661	322,915
<b>as per Funding Deeds</b>	<b>Total Government grants received</b>	<b>928,578</b>	<b>1,086,941</b>
<b>Note 3:</b>	Australian Government Funding - Contingency	821,106	1,235,990
<b>Special Government grants received</b>	Victorian Government Funding - Contingency	80,200	272,500
<b>as per Funding Deeds</b>	<b>Total Special Grants received</b>	<b>901,306</b>	<b>1,508,490</b>
<b>Note 4:</b>	Interest	2,374	3,104
<b>Other revenue</b>	Donations	2,400	18,800
	Profit on Sale of Motor Vehicles	12,266	2,296
	Other sundry income	66,275	77,306
	<b>Total Other revenue</b>	<b>83,315</b>	<b>101,506</b>
<b>Note 5:</b>	Employment costs (including super)	750,257	718,887
<b>Employment related expenses</b>	Allowances	18,627	14,031
	<b>Total remuneration package</b>	<b>768,884</b>	<b>732,917</b>
	Workers compensation insurance	1,459	1,325
	Other Payroll Expenses	22,463	157,054
	<b>Total Employment Costs</b>	<b>792,805</b>	<b>891,296</b>
<b>Note 6:</b>	<b>Australian Government Funding - Contingency</b>	<b>821,106</b>	<b>1,235,990</b>
<b>Special Grant Funding Expenditure</b>	Employment costs (including super)	679,901	401,941
	Vehicle costs	38,821	27,839
	Office Accommodation / IT costs / Other	236,914	76,571
	<b>Total contingency funding expenditure</b>	<b>955,635</b>	<b>506,351</b>
	<b>Victorian Government Funding - Contingency</b>	<b>80,200</b>	<b>272,500</b>
	Employment costs	111,096	191,689
	Vehicle costs	8,238	9,061
	Office Accommodation / IT costs / Other	48,469	41,960
	<b>Total Victorian Government Contingency Funding (Drought) expenditure</b>	<b>167,803</b>	<b>242,711</b>
	<b>Total Special Grant Funding</b> (as per Note 3)	<b>901,306</b>	<b>1,508,490</b>
	<b>Total Special Funding Expenditure</b>	<b>1,123,439</b>	<b>749,062</b>

**Notes to the accounts**

RFCS Gippsland

		<b>2020-2021</b>	<b>2019-2020</b>
		<b>\$</b>	<b>\$</b>
<b>Note 7:</b>	Communication Costs	11,554	11,183
<b>Other expenses</b>	Depreciation	23,064	14,931
	IT Costs	22,401	14,026
	Marketing & Promotions	6,099	2,045
	Office expenses	37,664	51,206
	Contractors	65,489	7,628
	Staff Training incl travel/accommodation/meals	47,131	25,718
	Other	19,322	17,162
	Distribution of charitable funds (donations) and associated costs	-	16,800
	<b>Total Other expenses</b>	<b>232,724</b>	<b>160,699</b>
<b>Note 8:</b>	Cash at Bank - Operating Account	90,589	106,102
<b>Cash and cash equivalents</b>	Cash at Bank - Online Saver Account	375,529	975,085
	Cash at Bank - DEDJTR & Reserve Funds	1,747,621	1,024,358
	Cash at Bank - RFCSVG Emergency Account	23,514	21,014
	Cash at Bank - Other	6,050	92,935
	<b>Total cash and cash equivalents</b>	<b>2,243,303</b>	<b>2,219,494</b>
<b>Note 9:</b>	Other receivables - State Funding (Drought)	-	264,000
<b>Trade and other receivables</b>	Other	21,282	-
	<b>Total Trade and other receivables</b>	<b>21,282</b>	<b>264,000</b>
<b>Note 10:</b>	Prepaid expenses	59,552	9,229
<b>Other current assets</b>	Other	10,250	-
	<b>Total other current assets</b>	<b>69,802</b>	<b>9,229</b>
<b>Note 11:</b>	Motor Vehicles	241,326	217,457
<b>Property, plant and equipment</b>	Less accumulated depreciation	(74,697)	(53,411)
	<b>Total Property, plant and equipment</b>	<b>166,629</b>	<b>164,046</b>

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

	<b>Motor vehicles</b>	<b>Motor vehicles</b>
Balance 1 July	164,046	122,566
Additions	74,124	91,308
Disposals	(16,736)	(14,713)
Less [total] depreciation	(54,805)	(35,115)
Balance 30 June 2021	<b>166,629</b>	<b>164,046</b>



**Notes to the accounts**

RFCS Gippsland

**2020-2021****2019-2020****\$****\$**

<b>Note 12:</b>	Accounts Payable	117,118	8,995
<b>Trade and other payables</b>	Accrued expenses	63,561	33,491
	PAYG payable	32,180	10,831
	GST Payable	-	71,109
	Other	77,580	-
	<b>Total trade and other payables</b>	<b>290,439</b>	<b>124,426</b>

<b>Note 13:</b>	<b>Short term provisions (Payable within 12 months)</b>		
<b>Provisions</b>	Provision for employee annual leave entitlements	97,627	79,878
	Provision for employee long service leave entitlements	36,504	83,831
	Redundancy Provisions	24,000	-
		<b>158,131</b>	<b>163,709</b>
	<b>Long term provisions (Payable after 12 months)</b>		
	Provision for employee long service leave entitlements	31,436	13,581
	Redundancy Provisions	143,344	145,495
		<b>174,780</b>	<b>159,076</b>

<b>Note 14:</b>			
<b>Prior year reporting adjustments</b>	No prior year adjustments recognised	-	-

<b>Note 15:</b>	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.		
<b>Key Management Personnel Compensation</b>	The totals of remuneration paid to key management personnel of the entity during the year are as follows:		
	Key management personnel	<b>140,408</b>	<b>115,020</b>

<b>Note 16:</b>			
<b>Other related party transactions</b>	The Service entered into transactions with the following related parties:		
	- RFCS Network funds held by RFCS Gippsland as the secretariat for the Network		
	- Balance of Network funds recognised in 'Other' payables (\$35k) - Note 12		

<b>Note 17:</b>			
<b>Contingent Assets/Liabilities</b>	There are no contingent assets or liabilities at balance date.		

**Notes to the accounts**

RFCS Gippsland

**2020-2021****2019-2020**

\$

\$

**Note 18:**

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

**Cash Flow Reconciliation**

Cash and cash equivalents

**2,243,303****2,219,494****Reconciliation of cash flows from operating activities**

Net profit after income tax

(296,427)

829,475

Non-cash items in the profit and loss

Depreciation

54,805

35,115

Provisions

61,182

157,320

Profit on sale of motor vehicles

(12,266)

(2,296)

Non-operating items

Interest

(2,374)

(3,104)

Decrease/ (increase) in trade and other receivables

242,718

(59,000)

Decrease/ (increase) in other current assets

(60,573)

(2,927)

Increase/ (decrease) in trade and other payables

130,550

47,495

Increase/ (decrease) in provisions

(51,056)

-

**Net cash provided by operating activities****66,559****1,002,078****Note 19:****Financial Risk Management**

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

**Financial assets**

Cash and cash equivalents

2,243,303

2,219,494

Loans and receivables

-

-

**Total financial assets****2,243,303****2,219,494****Financial liabilities**

Financial liabilities at amortised cost:

Trade and other payables

290,439

124,426

**Total financial liabilities****290,439****124,426****Note 20:****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, Water and Environment for the majority of its revenue used to operate the business. At the date of this report the Board of Directors have received confirmation of Commonwealth funding until 30 June 2024, and State funding until 30 June 2024. 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 21****Provision for Redundancy**

The board of directors has resolved to provide for payment of redundancies for permanent employees should the organisation's funding agreements not be renewed, including recognition of some employment contracts concluding 31 December 2021. Redundancy provision are disclosed in the accounts as a liability.

**Note 22:****Entity Details**

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

1 Peart Street

Leongatha VIC 3953

