2023/2024

RFCS Gippsland

FINANCIAL REPORT

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

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 2024, 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 directors report.

In our opinion 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 2024 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.

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 2024, 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 8, 644 Chapel Street, South Yarra VIC 3141

Dated this 9th day of September 2024

BILLINGS + ELLIS
ACCOUNTANTS • BUSINESS ADVISORS

Directors' declaration

1. In the opinion of the Directors of Rural Financial Counselling Service Victoria - Gippsland:

(a) the financial statements and notes that are set out on pages7-22 are in accordance with the Australian Charities and Not-for profits Commission Act 2012, include

I. Giving a true and fair view of the Entity's financial position at 30 June 2024 and of its performance for the year ended 30 June 2024

II. Complying with Australian Accounting standards (including the Australian Accounting Interpretations) and the Associations Incorporation Reform Act 2012.; and

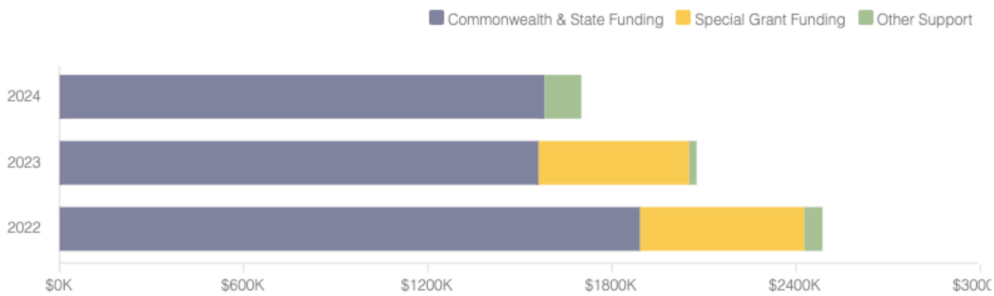
(b) There are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

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

Chairman
20th September 2024

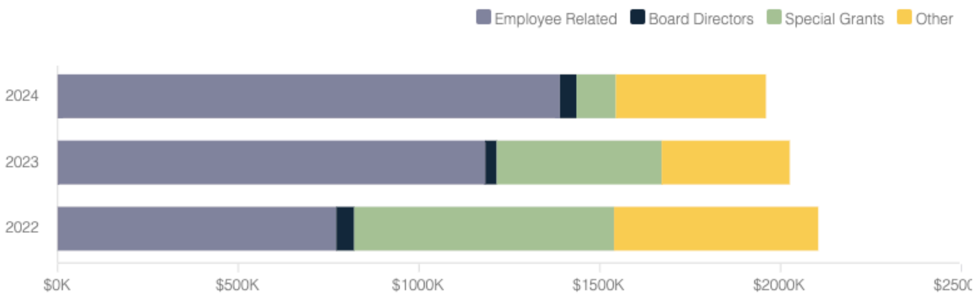
$1.771M

TOTAL FUNDING



$1.963M

TOTAL EXPENDED



Directors' report

The Directors of the Entity present their report together with the financial report for the year ended 30 June 2024 and the auditor's report thereon.

Directors

The following persons were Directors of Rural Financial Counselling Service Victoria - Gippsland during the year ended 30 June 2024 and up to the date of this report unless otherwise stated.

Dean Cullen (Chairperson)
Raelene Hanratty (Deputy Chairperson to Dec 2023)
Clare Adams (Secretary)
Heather Stacy
Peter Jennings
Damian Murphy (Deputy Chairperson from Dec 2023)
Ken Anderson (Treasurer)

Directors' meetings

The number of Directors' meeting (including meetings of committees of Directors and excluding circulatory resolutions) and number of meetings attended by each of the Directors of the Entity during the period are:

	Board meetings		Finance Committee Meetings		Other Committee Meetings	
	A	B	A	B	A	B
Dean Cullen	6	6	2	5	3	4
Raelene Hanratty (Deputy Chair to Dec 2023)	3	6	-	-	3	4
Damian Murphy (Deputy Chair from Dec 2023)	4	6	-	-	3	4
Clare Adams (Secretary)	6	6	4	5	1	1
Ken Anderson (Treasurer)	5	6	5	5	-	-
Heather Stacy	5	6	-	-	3	3
Peter Jennings	4	6	4	5	-	-

A – Number of meetings attended
B – Number of meetings held during the time the director held office during the period. Includes one electronic special resolution meeting.

Review of Operations

RFCS Gippsland has completed three years of the original funded period, commencing 1 July 2021. A further 2 year extension of the Rural Financial Counselling ('RFC') program State and Federal funding was confirmed during the year.

The RFC Program is administered by:
- Federal Department of Agriculture, Fishers and Forestry (DAFF); and
- State Department of Energy, Environment and Climate Action (DEECA) from 1 January 2024, previously the Department of Jobs, Precincts and Regions (DJPR).

Federal and State funding received for the RFC Program has provided RFCS Gippsland the opportunity to maintain current level of staffing to continue to support agribusinesses, primary producers and small rural business clients across south eastern Victoria with both ***crisis counselling*** and longer term ***planning support.***

During the financial year RFCS Gippsland has delivered the Rural Financial Counselling Program and embedded the essential Wellness support program (Detect & Protect) service in our core service delivery to ensure clients are supported for both their personal and financial wellbeing.

A total of 306 farm businesses, rural related businesses or farming family members have received assistance for crisis counselling or longer-term financial or wellbeing planning support. We supported an additional 115 contacts that were not eligible for our services or required minimal support.

Directors' report (continued)

Rural Financial Counselling Program Objectives

RFCS Gippsland is focused on ensuring counsellors support the RFCS Gippsland program objectives:
- Transition clients out of financial crisis
- Improve profitability or facilitate a dignified exit
- Improve financial wellbeing and resilience.

The RFCS Program outcomes are:

- ***Supporting and empowering clients to transition out of financial distress***, to have a better understanding of options to improve financial wellbeing, be motivated to consider longer term business changes.
- ***Improve client's business and financial skills, knowledge, competency and confidence*** focused on developing longer term business goals and strategies and managing risks.
- ***Supporting clients with behavioural and business and structural changes*** to improve profitability and viability with the ultimate goal of self sufficiency and financial wellbeing, through business planning and partnerships with other professional advisors.

Principal activities

As per the Rules of Association for RFCS Gippsland the key activities undertaken during the reporting period were the delivery of rural financial counselling services and small business planning support.

All services delivered by RFCS Gippsland are supported by a structured framework with specific activities focused on providing outcomes for clients, namely to improve financial wellbeing. RFCS Gippsland also provides services to support emotional wellbeing of clients to ensure they have the capacity to make better business decision regarding their financial future.

All funding received during the reporting period has been used for the purposes of delivering the activities and outcomes provided in the funding deeds. All programs have separate income and expenses which are consolidated for reporting purposes in the accompanying financial statements and notes.

Review of Financial Performance

RFCS Gippsland is pleased to present its financial report for the 2023-2024 financial year. The deficit of $192,298 is a result of strategically utilizing our accumulated surpluses from prior years to support the delivery of the RFC program and other essential initiatives to enhance the resilience of our rural communities. The strategic allocation of our funds in infrastructure and our people will continue to deliver improved capabilities for our team, and ensure continued success in fulfilling our organizational objectives.

We extend our gratitude to our funding bodies, our stakeholders, including clients, partners, and staff, for their ongoing support and collaboration in our mission to empower individuals and businesses across our service region covering south eastern Victoria.

Financial Highlights:
- RFCS Gippsland recorded a deficit of $192,298 for the 2023-2024 financial year (in 2023 surplus of $72,267).
- Utilising accumulated surpluses from prior years will be instrumental in supporting the delivery of the RFC program. These funds will be allocated to achieve the RFCS program objectives, and delivery of strategic initiatives to embed our organisation and services within the region we serve.

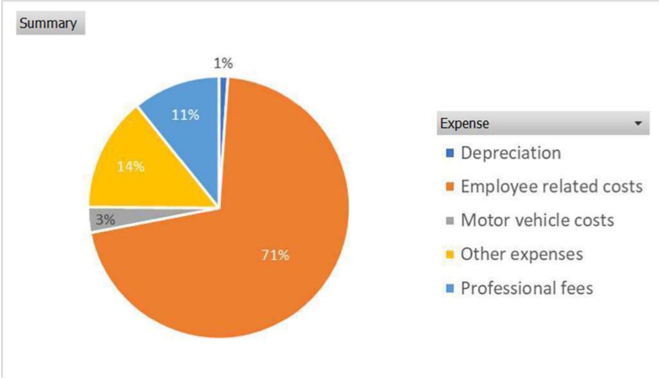
Strategic Allocation of Funds:
- *Continuation of Wellness Support Program*: Our organisation recognises the importance of providing comprehensive support to our clients. To achieve this, we will continue delivering the wellness support program as part of our core services. This initiative is designed to assist in achieving positive client outcomes and further strengthen the successful delivery of the RFC program. We have developed an online wellness training program based on the success of our wellness support. ADAPT is a *Detect And Protect Training* program that provides online learning, tools and templates for recording and reporting client progress, and provides a framework for delivering a wellness program. ADAPT provides an exciting opportunity to provide training for other organisations wishing to implement a wellness support program.
- *Client Management System (CMS):* During the year, RFCS Gippsland invested funds to enhance our Client Management System. The upgraded CMS supports our management and funding deed reporting obligations. Our CMS provides a user-friendly interface for counsellors to monitor and manage client support efficiently. This system plays a crucial role in providing client-focused support across our financial and wellbeing programs. Ongoing maintenance of the system is a strategic as well as operational need to ensure our team is efficient and effective in managing and reporting on the value of the client support delivered.
- *Development of Backbone Magazine:* Our first edition of Backbone in November 2022 was a huge success, with Anna Bligh the CEO of the Australian Banking Association and former QLD premier as the inaugural ambassador of our Backbone magazine. We have been fortunate to receive additional funding via the Future Drought Fund administered by the Foundation for Rural & Regional Renewal (FRRR) alongside our dedicated sponsors to deliver a 2nd and 3rd edition of Backbone focused on drought planning and resilience. The 2nd edition of Backbone magazine was released in Feb 2024 and we have been busy engaging with our communities and distributing the magazine to all rural communities across south eastern Victoria. Backbone magazine provides readers with information on planning, risks and wellbeing. The stories in each edition capture local businesses challenges and success, connects readers with a local directory of support services and provides a platform for promoting Gippsland. We are proud to have the Governor-General of the Commonwealth of Australia, His Excellency, General the Honourable David Hurley as the Backbone ambassador for our 2nd edition. To access the Backbone magazine online or find local stockiest visit https://backbonemag.org.au.

Directors' report (continued)

Key Expenditure:

The primary expenditure items for the year are as follows (graph attached):

- *Employment Costs:* Employment costs constitute the most significant expenditure for our organization. These expenses are essential to ensure a dedicated and skilled team is available to serve our clients effectively. As at 30 June our team included 7.8FTE counselling staff (2023:9.2FTE) and 4.2FTE Admin and support staff, including contract positions (2023:4.4FTE).
- *IT and Systems:* Investment in IT and systems, including contractors, reflects our commitment to adopting technology to improve efficiency and enhance service delivery.
- *Training:* Our organisation recognises the value of investing in our people. Expenditure on training reaffirms our dedication to building a knowledgeable and skilled workforce capable of delivering high-quality support to our clients.



Strategy and outlook

This strategic performance report highlights the progress made by RFCS Gippsland in implementing its strategic plan, which was initiated in 2021. The plan focuses on four key areas: People & Culture, Governance, Service Excellence, and Sustainability. Throughout the year, the Board has actively monitored the advancement of strategic initiatives and operational activities supporting the strategy. The report also includes key outcomes achieved for the year, as documented in the 2024 Annual Report.

Mission and Vision:

RFCS Gippsland's mission is to support Economically and Socially prosperous rural communities by championing and empowering primary producers and small rural businesses to plan for a secure future. We aspire to be the preferred rural business support provider, delivering best practice, innovative, and sustainable planning and crisis assistance.

Client Satisfaction and Value:

Our organisation's value is deeply entrenched in the feedback received from clients, stakeholders, and the community. We are pleased to report a client satisfaction rating of 96% (2023:99%), as validated by client surveys conducted throughout the year. The 2024 Annual Report online platform showcase impactful client stories that provide valuable insights into the support we provide and the significant value our services bring to those we assist.

Progress on Strategic Plan Initiatives:

1. People & Culture:

RFCS Gippsland recognises the importance of a strong and motivated team. Initiatives to foster a positive and inclusive work culture have been implemented during the year, including cultural improvement workshops, EDISC personality profiling of our team and ongoing employee engagement surveys conducted on a monthly basis, providing essential feedback to enhance staff well-being and productivity. Our focus on professional development and training via our internal Learning & Development platform, inhouse training via peer meetings, and externally provided training opportunities through our RFCS network and Financial counselling association has contributed to a skilled and dedicated workforce.

2. Governance:

Robust governance practices are crucial to the success and credibility of our organisation. Our ongoing commitment to strengthening our governance framework is evident from the improvements in managing and reporting our compliance with funding deeds. The Board has actively engaged in strategic oversight and decision-making, ensuring transparency and accountability of our performance against funding deed requirements.

3. Service Excellence:

Delivering exceptional support services remains paramount. RFCS Gippsland has consistently improved service delivery through streamlined processes and enhanced systems. We have actively sought feedback from clients and stakeholders via an online survey to help shape our future to identify gaps and improvement in support services needed to meet evolving client and community needs. Results of the survey were shared with our community via a number of regionally focused engagement workshops and presentations. Results of the survey were published on our website. KPIs and specific metrics are in place for our team to measure their own success in delivering support services to their clients, and also meeting and exceeding our funding deed expectations.

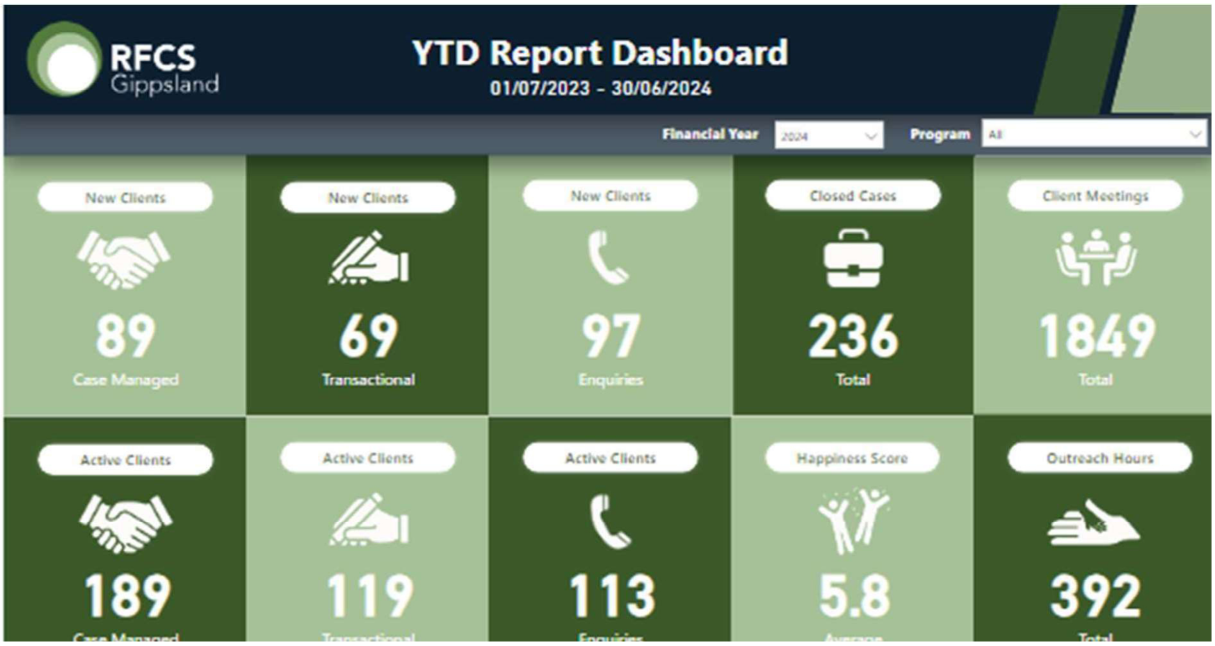
4. Sustainability:

RFCS Gippsland's commitment to sustainability has been reflected in our operations by embracing technology to connect with clients with less travel requirements. Moreover, we have prioritised the sustainability of our programs and implemented key strategic initiatives such as our Wellness support program and our Backbone magazine, securing funding for these programs to ensure we remain effective and relevant over the long term.

Continued Trust and Future Outlook:

Having served as a trusted source of support for farming and rural communities for over 35 years, RFCS Gippsland remains dedicated to its mission to champion and empower primary producers & small rural businesses to plan for a secure future. With the transition to a new fund administrator (DAFF) from 1 July 2023, we are confident that our legacy of delivering sustainable outcomes and resilience programs will continue. Our connections with clients and the community will remain at the heart of our endeavors and will continue to provide inspiration for the next phase of our strategy and client support.

ACTIVITY DASHBOARD REPORT FOR RFCS AND WELLNESS PROGRAM



Directors' report (continued)

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Entity that occurred during the current reporting period.

After balance date events

At the May 2024 Board meeting, Directors endorsed the resolution to create a new Not for Profit company limited by guarantee (the new Entity) to facilitate expanded services. The new Entity is expected to be constituted in 2025 with all operations to be transferred from the existing Entity to the new Entity at that time.

Likely developments and impacts of the new Entity, and the expected results of the operations of the new Entity in future financial years, have not been included in this report as the information has not yet been established.

Environmental regulation

The operations of the Entity are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Indemnification of officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached.

This report is made in accordance with a resolution of the Directors of the Entity.

Dean Cullen (Chairman)

20th September 2024 (Board meeting date)

Statement of profit or loss and other comprehensive income

	Notes	30 June 2024	30 June 2023
Revenue and other income	5	1,722,722	2,079,013
Employee related expenses		(1,391,903)	(1,452,176)
Motor vehicle expenses		(61,416)	(61,554)
Professional fees		(212,697)	(192,328)
Depreciation		(21,478)	(26,621)
Other operating expenses		(275,942)	(296,778)
Result from operating activity		(240,714)	49,556
Finance income	6	48,416	22,711
Finance costs	6	-	-
Net finance costs		48,416	22,711
(Deficit)/surplus before income tax		(192,298)	72,267
Income tax (benefit)/expense		-	-
(Deficit)/surplus after income tax		(192,298)	72,267
Total other comprehensive income		-	-
Total (deficit)/surplus and comprehensive income for the year		(192,298)	72,267

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

Statement of financial position

	Notes	As at 30 June 2024	As at 30 June 2023
Assets			
Current assets			
Cash and cash equivalents	7	2,331,354	2,586,098
Trade and other receivables	8	7,760	14,740
Other current assets	9	16,906	9,215
Total current assets		2,356,020	2,610,053
Non-current assets			
Right-of-use asset	13	3,907	19,795
Plant and equipment	10	88,402	79,678
Total non-current assets		92,309	99,473
Total assets		2,448,329	2,709,526
Liabilities			
Current liabilities			
Trade and other payables	11	134,256	168,331
Lease liability	13	8,063	24,582
Employee benefits	12	145,423	129,109
Total current liabilities		287,742	322,022
Non-current liabilities			
Lease Liability	13	-	8,067
Employee benefits	12	19,825	46,377
Total non-current liabilities		19,825	54,444
Total liabilities		307,567	376,466
Net assets		2,140,762	2,333,060
Equity			
Reserves		154,264	178,080
Retained surplus		1,986,498	2,154,980
Total equity		2,140,762	2,333,060

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

Statement of changes in equity

	Notes	Reserves	Retained Surplus	Total
Balance at 1 July 2022		**156,655**	**2,104,138**	**2,260,793**
Total comprehensive income for the year				
Net surplus/(deficit) for the year		-	72,267	72,267
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	72,267	72,267
Transactions recorded directly in equity				
Transfer to reserve		21,425	(21,425)	-
Total transactions recorded directly in equity		21,425	(21,425)	-
Balance at 30 June 2023		**178,080**	**2,154,980**	**2,333,060**
Balance at 1 July 2023		**178,080**	**2,154,980**	**2,333,060**
Total comprehensive income for the year				
Net (deficit)/surplus for the year		-	(192,298)	(192,298)
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	(192,298)	(192,298)
Transactions recorded directly in equity				
Transfer from reserve		(23,816)	23,816	-
Total transactions recorded directly in equity		(23,816)	23,816	-
Balance at 30 June 2024		**154,264**	**1,986,498**	**2,140,762**

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

Statement of cash flows

	Notes	30 June 2024	30 June 2023
Cash flows from operating activities			
Receipts from grants and other income		1,874,755	2,293,595
Payments to suppliers and employees		(2,139,592)	(2,122,221)
Net cash movement from operating activities	**17**	(264,837)	171,374
Cash flows from investing activities			
Interest received		56,553	10,530
Proceeds from sale of plant and equipment		24,000	-
Purchase of plant and equipment		(35,460)	-
Net cash movement from investing activities		45,093	10,530
Cash flows from financing activities			
Lease payments		(35,000)	(43,752)
Net cash movement from financing activities		(35,000)	(43,752)
Net increase/(decrease) in cash and cash equivalents		(254,744)	138,152
Cash and term deposits at the beginning of the financial year		2,586,098	2,447,946
Cash and term deposits at the end of the financial year		2,331,354	2,586,098

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

1 Reporting entity

This financial report covers Rural Financial Counselling Service Victoria – Gippsland as an individual entity. Rural Financial Counselling Service Victoria - Gippsland (the "Entity") is an incorporated association incorporated in Victoria and domiciled in Australia. The Entity is a not-for-profit and its principal activities are providing counselling services. The registered office and principal place of business is 1 Peart Street Leongatha, Victoria 3953.

2 Basis of preparation

(a) Statement of compliance

The report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced disclosure requirements (including Australian Interpretations to international accounting standards adopted by the Australian Accounting Standards Board ("AASB")) and the requirements of the *Associations Incorporation Reform Act 2012*.The financial report comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

This financial report was authorised for issue by the Directors on 20 September 2024.

(b) Basis of measurement

The financial report has been prepared on the historical cost basis except for financial instruments which are measured at fair value in the statement of financial position.

(c) Functional and presentation currency

This financial report is presented in Australian dollars, which is the functional currency of the Entity.

(d) Use of estimates and judgements

The preparation of the financial report in conformity with AASBs require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Significant accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments that are readily convertible to known amounts of cash.

(b) Financial instruments

(i) Recognition and initial measurement

The Entity initially recognises trade and other receivables on the date that they are originated. All other financial assets and financial liabilities are recognised initially on the trade date at which the Entity becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3 Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Classification and subsequent measurement

Financial assets

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 FVTPL:

• 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.

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.

(iii) Derecognition

Financial assets
The Entity derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial assets.

Financial liabilities
The Entity derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire. The Entity also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Entity currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment. Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "other income" in profit or loss.

(ii) Subsequent costs

The cost of replacing a part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Entity and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment is recognised in profit or loss as incurred.

3 Significant accounting policies (continued)

(c) Plant and equipment (continued)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised in profit or loss on a straight-line and/or diminishing basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives for the current and comparative periods are as follows:

	2024	2023
Motor Vehicles:		
Method	Diminishing value	Diminishing value
Useful life	8 years	8 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(d) Impairment

(i) Non-derivative financial assets

Financial instruments

The Entity recognises loss allowances for expected credit losses ("ECL's") on financial assets measured at amortised cost.

A financial asset is assessed at each reporting date to determine the expected credit loss. Where the credit risk on a financial asset has not significantly increased since initial recognition, a 12-month expected credit loss is applied. Where the credit risk on a financial asset has increased significantly since initial recognition, a lifetime expected credit loss is applied.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Entity considers quantitative and qualitative information and analysis based on the Entity's historical experience and forward-looking information.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Entity 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 Entity's historical experience and informed credit assessment and including forward-looking information.

(ii) Non- financial assets

The carrying amounts of the Entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3 Significant accounting policies (continued)

(e) Employee benefits

(i) Short-term benefits

Short-term employee benefit obligations are expensed as the related service is provided. Short-term benefits include salary and wages, annual leave and personal leave and are expected to be settled within 12 months of the reporting date.

(ii) Other long-term employee benefits

The Entity's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on AA credit-rated or government bonds that have maturity dates approximating the terms of the Entity's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

(f) Provisions

A provision is recognised if, as a result of a past event, the Entity has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(g) Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Entity recognises revenue when it transfers control over a good or service to a customer.

(i) Government funding

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.

(ii) Other revenue

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

(h) Leases

At inception of a contract, the Entity assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Entity allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Entity has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Entity recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Entity by the end of the lease term or the cost of the right-of-use asset reflects that the Entity will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Entity's incremental borrowing rate. Generally, the Entity uses its incremental borrowing rate as the discount rate.

The Entity determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

3 Significant accounting policies (continued)

(h) Leases (continued)

Lease payments included in the measurements of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Entity is reasonably certain to exercise, lease payments in an optional renewal period if the Entity is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Entity is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Entity's estimate of the amount expected to be payable under a residual value guarantee, if the Entity changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low value assets

The Entity has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At inception or on modification of a contract that contains a lease component, the Entity allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Entity recognised lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'

(i) Interest income and interest expense

Interest income relates to interest income on term deposits and bank balances. Interest income is recognised as it accrues, using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and allocating the interest income included in the effective yield over the relevant period by using an effective interest rate which reflects a constant periodic return on the carrying amount of the asset.

Interest expense comprises interest on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest rate method.

(j) Income tax

The Entity is exempt from tax for income tax purposes.

(k) Goods and services tax

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 taxation authority. In these circumstances,the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability 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 taxation authority, are presented as operating cash flows.

3 Significant accounting policies (continued)

(l) New Australian Accounting Standards and amendment standards that are effective in the current period

The Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact for the current reporting period ending 30 June 2024. Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

4 Financial risk management

(a) Overview

The Entity's activities expose it to a variety of financial risks.

The Entity has in place a risk management framework to identify and manage the risks in accordance with the its objective and strategy. The Directors have overall responsibility for the establishment and oversight of the risk management framework. The Entity, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts when they fall due.

The Entity's exposure to credit risk for cash and cash equivalents and receivables from customers is low and management does not expect any counterparty to fail to meet its obligations. Due to the nature of the Entity's not-for-profit status there is only a minimal credit risk taken, and an unlikelihood of impairment losses.

The carrying amount of financial assets represents the maximum credit exposure:

	For the year ended 30 June 2024	For the year ended 30 June 2023
Cash at bank and term deposits	2,331,354	2,585,898
Trade and other receivables	7,760	14,740
	2,339,114	2,600,838

Management assessed that there were no impairment losses at 30 June 2024 and 30 June 2023.

4 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Entity monitors its cash flow requirements and undertakes cash flow forecasts.Sufficient cash balances are maintained at all times.

Cash flow reconciliations are undertaken monthly to ensure all income and expenses are managed in accordance with contracted obligations.

Maturity analysis for financial liabilities

The following tables show the contractual maturities of financial liabilities as at 30 June 2024 and 30 June 2023:

As at 30 June 2024	**Carrying amount**	**Contractual cashflow**
Financial liabilities		
Trade and other payables	134,256	134,256
	134,256	134,256

As at 30 June 2023	**Carrying amount**	**Contractual cashflow**
Financial liabilities		
Trade and other payables	168,331	168,331
	168,331	168,331

Trade and other payables have contractual cashflows which are 12 months or less.

(d) Fair values

The fair value of financial assets and liabilities is equivalent to the carrying amount at 30 June 2024 and 30 June 2023.

5 Revenue and other income

	For the year ended 30 June 2024	**For the year ended 30 June 2023**
Government Grants	1,583,606	1,564,451
Special Grants	-	490,630
Sundry income	119,755	18,690
Donation income	463	5,242
Profit on sale of plant and equipment	18,898	-
	1,722,722	2,079,013

6 Interest income and interest expense

	For the year ended 30 June 2024	For the year ended 30 June 2023
Interest income		
Interest income on bank balances and term deposits	48,416	22,711
Interest expense		
Interest expense on bank balances and term deposits	-	-
Net interest income recognised in the profit and loss	48,416	22,711

7 Cash and cash equivalents

	For the year ended 30 June 2024	For the year ended 30 June 2023
Cash at bank	1,831,154	1,085,898
Term Deposits	500,000	1,500,000
Petty cash	200	200
	2,331,354	2,586,098

8 Trade and other receivables

	For the year ended 30 June 2024	For the year ended 30 June 2023
Trade receivables	-	825
Interest receivable	4,044	12,181
GST receivable	3,716	1,734
	7,760	14,740

9 Other assets

	For the year ended 30 June 2024	For the year ended 30 June 2023
Prepayments	16,906	9,215
	16,906	9,215

10 Plant and equipment

	Motor vehicles
Cost	
Balance at 1 July 2022	241,326
Additions	-
Disposals	-
Balance at 30 June 2023	241,326
Balance at 1 July 2023	241,326
Additions	35,460
Disposals	(50,392)
Balance at 30 June 2024	226,394
Accumulated depreciation	
Balance at 1 July 2022	(135,028)
Depreciation charge for the period	(26,620)
Disposals	-
Balance at 30 June 2023	(161,648)
Balance at 1 July 2023	(161,648)
Depreciation charge for the period	(21,478)
Disposals	45,134
Balance at 30 June 2024	(137,992)
Balance at 30 June 2023	79,678
Balance at 30 June 2024	88,402

11 Trade and other payables

	For the year ended 30 June 2024	For the year ended 30 June 2023
Trade payables	88,422	86,392
PAYG withholding payable	17,892	17,510
Other payables	27,942	64,429
	134,256	168,331

12 Employee benefits

Current	For the year ended 30 June 2024	For the year ended 30 June 2023
Provision for annual leave	52,203	90,908
Provision for long service leave	93,220	38,201
	145,423	129,109

Non-current	For the year ended 30 June 2024	For the year ended 30 June 2023
Provision for long service leave	19,825	46,377
	19,825	46,377

The present value of employee benefits not expected to be settled within twelve months of balance date have been calculated using the following inputs or assumptions at the reporting date:

Assumed rate of increase in wages/salaries	3.75%
Discount rate	1.14%
Settlement term	7 years

13 Leases

The Group has entered into commercial property leases for its office accommodation. These leases have a remaining life of up to 1 year. The Group has no other capital or lease commitments.

Right of use assets	As at 30 June 2024	As at 30 June 2023
Balance at start of the year	19,795	39,861
Depreciation charge for the year	(15,888)	(20,066)
Additions to right-of-use assets	-	-
	3,907	19,795

Lease liabilities	As at 30 June 2024	As at 30 June 2023
Balance at start of the year	32,649	52,083
Interest on lease liabilities during the period	10,414	24,318
Additions to lease liabilities	-	-
Rent payments	(35,000)	(43,752)
Balance at end of the year	8,063	32,649
Current	8,063	24,582
Non-current	-	8,067
	8,063	32,649

13 Leases (continued)

Amounts recognised in profit or loss	As at 30 June 2024	As at 30 June 2023
Depreciation on right-of-use assets	(15,888)	(20,066)
Interest expense on lease liabilities	(10,414)	(24,318)
Expenses relating to short-term leases	(22,788)	(14,366)
	(49,090)	(58,750)

Amounts recognised in statement of cash flow	As at 30 June 2024	As at 30 June 2023
Total cash outflows for leases	(35,000)	(43,752)
	(35,000)	(43,752)

14 Capital and reserves

Reserves

In 2022 the Board of Directors resolved to establish redundancy reserves for permanent employees should the Entity' funding agreements not be continued.

15 Economic dependency

The Entity 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 majority of its revenue used to operate the business.

At the date of this report the Directors are able to confirm Commonwealth and State funding until 30 June 2026. The Directors have no reason to believe that the respective Governments will not continue to support the Entity.

16 Related parties

(a) Directors

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 following were key management personnel of the Entity at any time during the reporting period:
Dean Cullen (Chairperson)
Raelene Hanratty (Deputy Chairperson to Dec 2023)
Clare Adams (Secretary)
Heather Stacy
Peter Jennings
Damian Murphy (Deputy Chairperson from Dec 2023)
Ken Anderson (Treasurer)

(b) Key management personnel compensation

The key management personnel compensation comprised:

	For the year ended 30 June 2024	For the year ended 30 June 2023
Short term employee benefits	176,608	155,593
Post employment benefits	19,427	16,299
Total	196,035	171,892

Key Management Personnel compensation is recognised as part of employee expenses in the income statement.

16 Related parties (continued)

(c) Other related party transactions

During the year ended 30 June 2024 and 2023 the Entity did not enter into transactions with related parties.

17 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	For the year ended 30 June 2024	For the year ended 30 June 2023
(Loss)/profit for the period	(192,298)	72,267
Adjustments for:		
Depreciation	37,135	46,685
Provisions	-	-
Profit on sale of motor vehicles	(18,898)	-
Interest income	(56,553)	(10,530)
Interest expense	10,648	24,319
Changes in:		
Trade and other receivables	7,133	12,799
Other current assets	(7,691)	(11,990)
Trade and other payables	(34,075)	7,510
Employee benefits	(10,238)	30,314
Net cash (outflow)/inflow from operating activities	(264,837)	171,374

Components of cash and cash equivalents

Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:

Cash and cash equivalents	2,331,354	2,586,098

18 Contingent assets and liabilities

As at 30 June 2024, the Entity had a contingent liability of $154,264 (2023: $178,080) in relation to potential Redundancies payable to staff. These redundancies would only be payable in the event of a wind-up of the Entity. As the financial statements are prepared using the going concern principle, the expected redundancies payable have not been brought to account in the Statement of Financial Position.

19 Events occurring after the reporting period

No significant events have occurred since the reporting period which would impact on the financial position of the Entity disclosed in the statement of financial position as at 30 June 2024 or on the results and cash flows of the Entity for the current reporting period ended on that date.