

East Gippsland Community Foundation Limited

ABN 23 649 303 186

Financial Report - 30 June 2023

East Gippsland Community Foundation Limited
Directors' Report
30 June 2023

Your directors present this report on the entity for the financial year ended 30 June 2023.

Directors

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

Barry Henwood
Joe Rettino
David Impey
Brendan Pfanner
Helen Martin
Susan Medson
Monika Oudendyk (appointed 14 November 2022)
Trevor Hancock (appointed 14 November 2022)
Kevin Perry (appointed 14 November 2022, resigned 18 April 2023)
Andrew Tegart (resigned 12 December 2022)

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

Principal activities

The principal activity of the entity during the financial year was:

The East Gippsland Community Foundation is a philanthropic community foundation established for the purpose of providing funding to support the East Gippsland community in its long-term recovery from the 2019-2020 Victorian bushfires.

Established by the community, for the community, the Foundation was seeded by donations to the Victorian Bushfire Appeal.

The company is an operating not-for-profit, non-political entity established for the purpose of promoting charitable purposes within the Gippsland Region in order to support and strengthen the community, including community wellbeing and resilience. As part of its charitable activity it also acts as a trustee of the East Gippsland Community Bushfire Disaster Relief Fund. This company undertakes the administrative activities of the Foundation and employs administrative staff.

The company has received funding from Bushfire Recovery Victoria and Community Enterprise Foundation to support the administrative activities of the Foundation.

Operating result

	2023	2022
	\$	\$
The surplus/(deficit) generated by the Foundation during the financial year is:	(117,372)	811,255

Significant changes

No significant change in the nature of the company's principal activities occurred during the year.

Events after balance date

There have been no events after the end of the financial year that would materially affect the financial statements.

Information on directors

Barry Henwood **Chairperson/Director**

Barry Henwood after a long and successful career in retail and community banking, Barry became Director of the Board for the Hurstbridge Bendigo Bank Community Bank, then its Chair, and later, its CEO/Chair. Today, Barry has stepped down from these roles, but he remains the CEO of Valley Community Financial Services Limited.

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Barry's comprehensive experience includes roles as Chair of the Hurstbridge Traders Association, and of the Community Bank Stadium in Diamond Creek's fundraising committee (a \$10.5 million project). After the 2009 bushfires, Barry worked with the Bendigo Bank, his local community bank, and the local community to rebuild communities severely impacted by the bushfires. Subsequently, he was invited to present at several public forums and, in 2010, became the Nillumbik Shire Council's Citizen of the Year. In 2011, he was awarded a Paul Harris Fellow award from the local Diamond Creek Rotary club.

Joe Rettino Deputy Chairperson/Director

Joe Rettino is currently a partnership broker for Tafe Gippsland. He is a former councillor of East Gippsland Shire Council, where he served a term as mayor (2016-2018). Previously, Joe has held directorships on Omeo District Health and East Gippsland Water.

During his time in Local government, Joe successfully advocated for significant grants from the Federal and State governments. Joe's experience had given him specialist skills in stakeholder and community engagement, leadership, communication, organisational skills, relationship management, commercial management, strategic procurement and governance.

David Impey Treasurer/Director

David Impey is currently chief executive officer of the Community Enterprise Foundation which is the philanthropic arm of Bendigo and Adelaide Bank.

Brendan Pfanner Secretary/Director

Brendan Pfanner is a photographer, and, for 12 years, a teacher at the School for Student Leadership, Snowy River Campus focusing on year nine residential education and personal development. Brendan's areas of expertise include educational leadership, curriculum development, digital technologies and building community partnerships.

Brendan has been a secondary school teacher since 2000, both in Australia and the United Kingdom. He also worked with Skills Victoria, regulating apprenticeships and traineeships. He is a registered teacher with the Victorian Institute of Teaching and a School for Student Leadership school council member.

In 2017, Brendan graduated as a Fellow of the Gippsland Community Leadership Program. Recently, he became a General Firefighter with the Country Fire Authority and has been appointed to the Orbost District Community Recovery and Transition Committee to support the strategic direction of the community's recovery and transition from the 2019-2020 bushfires.

Helen Martin Director

Helen Martin is a long-time resident of East Gippsland and runs a small consultancy company. Previously, Helen held senior positions in local government where her responsibilities included community recovery from disasters. She has also worked for State and Commonwealth agencies. She has been a member of several government advisory councils and boards, and chair of the Gippsland Coastal Board.

Helen's specialist skills lie in strategic planning, community engagement and policy development for rural and regional areas. She is an active volunteer with the Country Fire Authority's District 11 Headquarters Brigade and Red Cross Emergency Services and served with both during the 2019-20 bushfires. The fires' aftermath, with her professional experience, has given her a clear view of the impacts of natural disasters' on individuals, communities and the environment. Helen is a graduate of the Gippsland Community Leadership Program and is strongly committed to enhancing the Foundation's role in assisting recovery and building resilience.

Sue Medson Director

Sue Medson is a long-time resident of East Gippsland, she only recently stepped down from her role as Chief Executive Officer of Gippsland Lakes Complete Health, after 10 years. Sue's over-thirty-year career includes senior management roles and over 15 years in CEO positions for community health and social service organisations across Victoria. These include Latrobe Community Health Service, FamilyCare in Shepparton, Goulburn Valley Community Health Service and Otway Health and Community Service. Sue has also held roles on the Boards of local Aboriginal organisations, including Lake Tyers Health and Children's Service, Lakes Tyers Aboriginal Trust Transition Board, and Lakes Entrance Aboriginal Health Association.

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During her professional career, Sue established partnerships with local agencies, including the East Gippsland Health Services Alliance and Connect Well. Sue was the executive producer of the compelling documentary “Beyond the Fire”, which follows the stories of Australians coming together to create life from ashes of the Australian Black Summer Bushfire Crisis.

Monika Oudendyk Director

Monika Oudendyk is a director of the Foundation. Moved to East Gippsland 5 years ago from Melbourne. Monika was the Project Management Office Manager at Monash University and has held a number of Program and Project Management roles, specialising in Information Technology and Educational Program Development as well as Business Continuity Management.

Monika currently works for Peninsula Health remotely as an IT Project Manager.

Trevor Hancock Director

Trevor’s family has strong connections to East Gippsland and he is the fifth generation to continue service to the region. Several sporting and community awards and streets are named after his forbears. His professional background is in fundraising, marketing, strategic planning, Government, corporate, crises, and public relations. Trevor started his fundraising with Red Cross organizing “Red Cross Calling” in Victoria. He has been responsible for fundraising, communications and marketing at the Austin Hospital, Deakin University, and the University of Adelaide. He established the Hackett Foundation at the University of Western Australia and advised The Howard Flory Institute on fundraising. Trevor has been a Councillor of the City of Malvern and Vice President of the Metropolitan Municipal Association. He was Chairman of Chittering Financial Services, a community owned company with the franchises for three Bendigo Bank Branches. With considerable expertise in Australia’s cultural heritage, he holds Federal Government advisory roles in the area. Trevor was an inaugural Fellow of the Williamson Community Leadership Program and is the current President of the Bairnsdale Chamber of Commerce.

Kevin Perry Director

Arriving in East Gippsland in 1970 (Buttermaker, Bairnsdale Factory), Kevin joined the Victoria State Emergency Service (SES) in 1976 when it was first formed, setting up and training volunteer groups throughout East Gippsland. Promoted to Regional Director (1989) he was in charge of emergency management planning, operations and training, being recognised in the 2006 Australia Day Honours with the Emergency Services Medal (ESM) for his work. Kevin retired from SES in 2007 after 31 years and currently volunteers with the Gippsland Emergency Relief Fund (GERF) and (President of) Sarsfield Community Association, along with other organisations. Previously he volunteered with sporting groups committees, School Council and Puffing Billy. The 2019 fires destroyed his home of 43 years in Sarsfield, giving him a personal insight to the long recovery journey many East Gippslanders are still on.

Kevin was recently awarded the Alan Alder Award by the Australian Institute of Emergency Services recognising his long-term commitment to emergency services.

Andy Tegart Director

Andy Tegart is the Chair of ERGT Australia, which provides emergency response, incident management, fire fighting, HUET and safety training to Australia’s oil and gas, defence maritime, aviation and resources industries, including all Exxon/BHP’s assets in Gippsland. Andy is also the President of the Gippsland Emergency Relief Inc. He brings 40 years’ experience of private/public sector emergency management and fire protection and has worked and lived in Gippsland for 30+ years.

Andy’s career includes planning, research, and field trial work in NSW for, among others, the NSW Rural Fire Service, and CSIRO Fire Research’s project, Aquarius. His career has included fire management positions in Hawkesbury and Hunter NSW National Parks and Wildlife Service, and the State Electricity Commission of Victoria, where he was responsible for industrial fire brigades, medical centres, rural fire control and prevention, security, and emergency and fire training.

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30 June 2023

Meetings of directors

During the financial year, 13 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Eligible	Attended
Barry Henwood	13	12
Joe Rettino	13	9
David Impey	13	9
Brendan Pfanner	13	9
Helen Martin	13	13
Susan Medson	13	10
Monika Oudendyk	7	7
Trevor Hancock	7	5
Kevin Perry	4	1
Andrew Tegart	7	7

Indemnification and insurance of directors and officers

The company has indemnified all directors and the Executive Officer in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or Executive Officer of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

Proceedings on behalf of the entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Members guarantee

The entity is incorporated under the *Corporations Act 2001* and is a public company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum amount of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2023, the total amount that members of the entity are liable to contribute if the entity is wound up is \$80 (2022: \$70).

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2023, as required under section 307C of the *Corporations Act 2001*, has been received and can be found on page 5 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.



Director

16 October 2023



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

Lead auditor's independence declaration under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* to the Directors of East Gippsland Community Foundation Limited

As lead auditor for the audit of East Gippsland Community Foundation Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit, and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated this 16th day of October 2023

A handwritten signature in black ink, appearing to read 'Joshua Griffin', is positioned above the printed name.

Joshua Griffin
Lead Auditor

East Gippsland Community Foundation Limited
Statement of profit or loss
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	4	117,597	1,017,587
Finance income	4	7,813	183
Other income	4	10,000	-
Total revenue and other income		<u>135,410</u>	<u>1,017,770</u>
Expenses			
Accounting and bookkeeping		(8,752)	(12,950)
Advertising, marketing and promotional		(11,333)	(8,205)
Audit fees		(8,925)	(8,000)
Bank charges		(19)	(101)
Consulting fees		-	(38,490)
Computer and software		(1,046)	(1,432)
Depreciation		(3,816)	-
Employee entitlements		(10,427)	(5,231)
Grant funds expended		(27,597)	-
Insurance		(160)	(3,617)
Meetings		(1,247)	(1,031)
Office expenses		(12,210)	(7,447)
Professional fees		(5,250)	-
Recruitment and HR consulting		(698)	(15,700)
Subscriptions		(2,445)	(6,471)
Superannuation		(24,035)	(14,545)
Telephone		(1,509)	(1,470)
Travel		(13,832)	(6,405)
Wages		(117,726)	(73,355)
Work cover		(1,755)	(2,065)
Total expenses		<u>(252,782)</u>	<u>(206,515)</u>
Surplus/(deficit) before income tax expense		(117,372)	811,255
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the year		<u><u>(117,372)</u></u>	<u><u>811,255</u></u>

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

East Gippsland Community Foundation Limited
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	5	864,463	891,165
Trade and other receivables	6	19,377	-
Total current assets		<u>883,840</u>	<u>891,165</u>
Non-current assets			
Property, plant and equipment		3,196	-
Total non-current assets		<u>3,196</u>	<u>-</u>
Total assets		<u>887,036</u>	<u>891,165</u>
Liabilities			
Current liabilities			
Trade and other payables	7	35,093	74,680
Contract liabilities	8	142,402	-
Employee benefits	9	15,658	5,230
Total current liabilities		<u>193,153</u>	<u>79,910</u>
Total liabilities		<u>193,153</u>	<u>79,910</u>
Net assets		<u>693,883</u>	<u>811,255</u>
Equity			
Retained surplus		<u>693,883</u>	<u>811,255</u>
Total equity		<u>693,883</u>	<u>811,255</u>

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

East Gippsland Community Foundation Limited
Statement of changes in equity
For the year ended 30 June 2023

	Retained surplus \$	Total equity \$
Balance at 1 July 2021	-	-
Surplus after income tax expense	811,255	811,255
Balance at 30 June 2022	<u>811,255</u>	<u>811,255</u>
Balance at 1 July 2022	<u>811,255</u>	<u>811,255</u>
Deficit after income tax expense	(117,372)	(117,372)
Balance at 30 June 2023	<u>693,883</u>	<u>693,883</u>

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

East Gippsland Community Foundation Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Operating grants		250,622	1,017,587
Payments to suppliers and employees (inclusive of GST)		(277,121)	(126,604)
Interest received		6,809	182
		<hr/>	<hr/>
Net cash from/(used in) operating activities	11	(19,690)	891,165
Cash flows from investing activities			
Payments for property, plant and equipment		(7,012)	-
		<hr/>	<hr/>
Net cash used in investing activities		(7,012)	-
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		(26,702)	891,165
Cash and cash equivalents at the beginning of the financial year		891,165	-
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	5	<u>864,463</u>	<u>891,165</u>

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

East Gippsland Community Foundation Limited

Notes to the financial statements

30 June 2023

Note 1. General information

The financial statements cover East Gippsland Community Foundation Limited as an individual entity. The financial statements are presented in Australian dollars, which is the entity's functional and presentation currency.

East Gippsland Community Foundation Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. A description of the nature of the entity's operations and its principal activities are included in the directors' report.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 October 2023. The directors have the power to amend and reissue the financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the 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.

Statement of compliance

The entity is a not-for-profit entity as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Note 2. Summary of significant accounting policies

Accounting Policies

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Economic Funding

The entity received funding from the Victorian State Government and the Community Enterprise Foundation to support the ongoing operations of the entity over a three year period. The current funding received from Bushfire Recovery Victoria, through the Department of Justice and Community Safety, and the Community Enterprise Foundation aims to cover administration costs in managing funds allocated from the Victorian Bushfire Appeal.

Financial Instruments

The entity's financial instruments consist mainly of deposits with banks, receivables and payables.

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

East Gippsland Community Foundation Limited
Notes to the financial statements
30 June 2023

Note 2. Summary of significant accounting policies (continued)

Classification and subsequent measurement of financial assets

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 as at amortised cost. The entity does not utilise hedging instruments.

Classifications are determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or other income, except for impairment of trade receivables, which is presented within other expenses.

Financial assets are measured at amortised cost if the assets meet the following conditions:

- 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 and trade and other receivables fall into this category of financial instruments.

Impairment of financial assets

The entity makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. The entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

Classification and measurement of financial liabilities

The entity's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss. The entity does not utilise derivative financial instruments.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or other income.

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 Taxation Office (ATO).

Receivables and payables are stated 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.

Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

East Gippsland Community Foundation Limited
Notes to the financial statements
30 June 2023

Note 2. Summary of significant accounting policies (continued)

Impairment of Assets

At the end of each reporting period, the company 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 an 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 Profit or Loss.

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

Comparative Figures

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

New and Amended Accounting Standards Adopted by the Entity

There are no new accounting standards and interpretations issued by the AASB that have a material impact on the company's financial statements for the year ended 30 June 2023.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recognition, initial measurement and derecognition

To determine if grant funding should be accounted for under AASB 1058 or AASB 15, the entity has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the entity has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation and holding discussions with relevant parties. Income recognition from grants received by the entity has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed.

Provision for expected credit losses

Expected credit losses (ECL) are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received. At each reporting date, the entity recognises the movement in the ECL (if any) as an impairment gain or loss in the Statement of Profit or Loss.

Employee benefits provision

As discussed in note 9, the liability for employee benefits is expected to be wholly settled within 12 months from the reporting date and therefore measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Note 4. Revenue and other income

Revenue	2023	2022
	\$	\$
State government grants - operating	-	882,587
Local government grants - operating	62,597	-
Community Enterprise Foundation grants - operating	55,000	135,000
	<hr/>	<hr/>
Total revenue	<u>117,597</u>	<u>1,017,587</u>

East Gippsland Community Foundation Limited
Notes to the financial statements
30 June 2023

Note 4. Revenue and other income (continued)

Other income	2023	2022
	\$	\$
Interest received	7,813	183
Reimbursement	10,000	
	<hr/>	<hr/>
Total other income	<u>17,813</u>	<u>183</u>

Accounting policy for revenue and other income

Operating grants, donations and bequests

When the company receives operating grants, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 *Revenue from Contracts with Customers*.

When both these conditions are satisfied, the company:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of AASB 1058 *Income for Not-for-Profit Entities*
- the Entity's operating grant, donation and bequest contracts do not typically contain sufficiently specific performance obligations. Therefore such funds are recognised as income immediately under AASB 1058 even if the funding is to be spent in future reporting periods

Interest income

Interest income is recognised using the effective interest method.

Reimbursement

Reimbursement income relates to reimbursement of expenses incurred by the company in acting as trustee of the East Gippsland Community Bushfire Disaster Relief Fund in accordance with section 14 of the trust deed. This allows for the trustee to be reimbursed for reasonable expenses incurred as trustee not exceeding \$5,000 in a financial year.

The income is recognised when the trustee resolves to enact section 14 of the trust deed. This has been applied to contribute to the audit costs incurred by the company for the financial years ended 30 June 2022 and 30 June 2023.

Note 5. Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank - Bendigo and Adelaide Bank Limited	864,463	891,165
	<hr/>	<hr/>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments, and bank overdrafts.

East Gippsland Community Foundation Limited
Notes to the financial statements
30 June 2023

Note 6. Trade and other receivables

	2023	2022
	\$	\$
Trade receivables	10,000	-
Accrued income	1,004	-
Prepayments	5,973	-
GST receivable	2,400	-
	<u>9,377</u>	<u>-</u>
	<u>19,377</u>	<u>-</u>

Accounting policy for trade and other receivables

Trade and other receivables includes amounts due from customers for services performed 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.

Trade and other receivables are initially recognised at the transaction price and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Accounting policy for accrued income

Accrued income represents interest earned on cash and cash equivalents but not received at balance date.

Accounting policy for prepayments

Prepaid expenses are recognised when the entity makes a payment for goods or services that will be consumed or utilised in future periods.

Note 7. Trade and other payables

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	785	-
GST payable	-	39,017
Accrued expenses	16,489	19,068
Payroll liabilities	17,819	16,595
	<u>35,093</u>	<u>74,680</u>

Accounting policy for trade and other payables

Trade and other payables represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Accounting policy for accrued expenses

The entity recognises expenses which relate to the current financial year, which the entity has committed to pay at a future date. The amount is recognised as an expense in the Statement of Profit and Loss and a corresponding liability recorded.

East Gippsland Community Foundation Limited
Notes to the financial statements
30 June 2023

Note 8. Contract liabilities

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	<u>142,402</u>	<u>-</u>

Accounting policy for contract liabilities

Contract liabilities represent the company's outstanding obligations to transfer goods or services to a recipient under a funding agreement and are recognised when the funding has been received before the company has transferred the applicable goods or services.

Note 9. Employee benefits

	2023	2022
	\$	\$
Annual leave	<u>15,658</u>	<u>5,230</u>

Provision for employee benefits

A provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, sick leave and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Note 10. Auditors' remuneration

During the financial year the following fees were paid or payable for services provided by Andrew Frewin Stewart, the auditor of the entity:

	2023	2022
	\$	\$
<i>Audit services</i>		
Auditing or reviewing the financial report	<u>8,925</u>	<u>8,000</u>

Note 11. Cash flow information

	2023	2022
	\$	\$
Surplus/(deficit) after income tax expense for the year	(117,372)	811,255
Adjustments for:		
Depreciation and amortisation	3,816	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(19,377)	74,680
Increase/(decrease) in trade and other payables	(39,587)	5,230
Increase in contract liabilities	142,402	-
Increase in employee benefits	<u>10,428</u>	<u>-</u>
Net cash from/(used in) operating activities	<u>(19,690)</u>	<u>891,165</u>

East Gippsland Community Foundation Limited
Notes to the financial statements
30 June 2023

Note 12. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets at the date of this report to affect the financial statements.

Note 13. Events after the reporting period

There have been no events after the end of the financial year that would materially affect the financial statements.

Note 14. Related party transactions

No director or related entity has entered into a material contract with the entity. No director fees have been paid as the positions are held on a voluntary basis.

Note 15. Members' guarantee

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute an amount towards meeting any outstanding obligations of the entity not exceeding \$10. At 30 June 2023 the number of members was 8 (2022: 7).

Note 16. Entity details

The registered office of the entity is:
East Gippsland Community Foundation Limited
The Bendigo Centre Level 4 22-24 Bath Lane BENDIGO VIC 3550

The principal place of business is:
East Gippsland Community Foundation Limited
The Bendigo Centre Level 4 22-24 Bath Lane BENDIGO VIC 3550

East Gippsland Community Foundation Limited
Directors' declaration
30 June 2023

In accordance with a resolution of the directors of East Gippsland Community Foundation Limited, the directors of the entity declare that:

- The attached financial statements and notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards - Simplified Disclosures applicable to the entity; and
 - (b) give a true and fair view of the financial position of the registered entity as at 30 June 2023 and of its performance for the year ended on that date.
- In the directors' opinion there are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The statement is made in accordance with a resolution of the directors and is signed for and on behalf of the directors by:



Director

16 October 2023



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

afs@afsbendigo.com.au
03 5443 0344

Independent auditor's report to the Directors of East Gippsland Community Foundation Limited

Report on the audit of the financial statements

Opinion

We have audited the financial report of East Gippsland Community Foundation Limited (the company), which comprises:

- Statement of financial position as at 30 June 2023
- Statement of profit or loss and other comprehensive income for the year then ended
- Statement of changes in equity for the year then ended
- Statement of cash flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory notes
- The directors' declaration of the company.

In our opinion, the financial report of the company, is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year ended on that date, and
- ii. complying with Australian Accounting Standards - Simplified Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulations 2013.

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

Basis of accounting and restriction on distribution

Without modifying our opinion, we draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist the company to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.



Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550

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Independence

We are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine 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, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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. Misstatement can arise from fraud or error and are considered material if, individually or in 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 the purpose of expressing an opinion on the effectiveness of the company's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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 company 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.
- Communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo, 3550
Dated this 16th day of October 2023

A handwritten signature in black ink, appearing to read 'Joshua Griffin', is positioned above the printed name.

Joshua Griffin
Lead Auditor