

Geelong Sustainability Group Inc

ABN: 85 007 177 238

Financial Report

For the year ended 30 June 2022

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Statement by the Management Committee

For the year ended 30 June 2022

In our opinion:

- (a) the accompanying financial report being a special purpose financial statement, is drawn up so as to present fairly the state of affairs of the Association as at 30 June 2022 and the results of the Association for the year ended on that date;
- (b) the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association; and
- (c) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

We confirm as follows:

- (a) The name of each committee member of the Association during the relevant financial year were:

Vicki Perrett

Vivienne Burke

Tim Adams

Jonathan Wright

Merilyn Harris

from 18 November 2021

Meredith Crittenden

from 18 November 2021 to 2 March 2022

Dan Cowdell

to 1 February 2022

Jennifer Jarrard

to 18 November 2021

Amy White

to 18 November 2021

Sal Fisher

to 18 November 2021

Sanja Van Huet

to 18 November 2021

Fred Ritman

to 18 November 2021

Louise Beames

to 15 July 2021

- (b) The purposes of the Association are to protect and enhance the natural environment and increase the environmental sustainability of our region. The principle activities of the association during the financial year were:

- (i) Climate advocacy
- (ii) Community education activities
- (iii) Delivery of major projects - Renewable Energy, Circular Economy, & Sustainable Cities.

- (c) The operating result of the association for the financial year was a net surplus of \$165,841.

Signed in accordance with a resolution of the members of the committee.

Vicki Perrett, President

Vivienne Burke, Acting Treasurer

Dated this 20th day of October 2022

Statement of Comprehensive Income

For the year ended 30 June 2022

		2022	2021
	Note	\$	\$
Income			
Grants	2	773,137	43,400
Membership fees		10,472	10,019
Donations		29,995	22,667
Fundraising		8,000	0
Sales		63,678	82,340
Sponsorship		7,750	10,055
Dividends		0	27
Interest		244	283
COVID-19 support	2(a)	0	35,543
CERF seed funding		57,000	0
Total Income		950,276	204,334
Expense			
Accounting & Legal Fees		5,721	1,424
Audit Fees		1,699	0
Advertising & Promotion		42,209	6,266
IT & Computer Expenses		58,538	2,718
Consultancy Fees		227,971	73,353
Donations Paid		7,250	0
Travel & Accommodation		9,340	963
Employee Expenses		333,289	46,584
Client Support Services		59,727	172,793
Administration & Other Expenses		38,691	19,880
Total Expenses		784,435	323,981
Surplus/(deficit) for the year		165,841	(119,647)
Other Comprehensive Income		0	0
Total Comprehensive Income		165,841	(119,647)

The accompanying notes form part of the financial report.

Statement of Financial Position

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3	388,807	265,323
Accounts receivable and other debtors	4	39,453	4,400
Inventory	5	0	1,110
Loans receivable	6	11,400	0
Accrued income		18,750	0
Total Current Assets		458,409	270,833
Non-Current Assets			
Shares	7	2,000	2,000
Loans receivable	6	39,900	0
Total Non-Current Assets		41,900	2,000
TOTAL ASSETS		500,309	272,833
LIABILITIES			
Current liabilities			
Trade creditors and other payables	8	29,382	31,597
Grants received in advance		63,850	0
Total Current Liabilities		93,232	31,597
Non-current liabilities			
Total non-current liabilities		0	0
TOTAL LIABILITIES		93,232	31,597
NET ASSETS		407,077	241,236
EQUITY			
Retained earnings	9	407,077	241,236
TOTAL EQUITY		407,077	241,236

The accompanying notes form part of the financial report.

Statement of Changes in Equity

For the year ended 30 June 2022

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2020	360,883	360,883
Surplus/(deficit) for the year	(119,647)	(119,647)
Balance at 30 June 2021	241,236	241,236
Balance at 1 July 2021	241,236	241,236
Surplus/(deficit) for the year	165,841	165,841
Balance at 30 June 2022	407,077	407,077

The accompanying notes form part of the financial report.

Statement of Cash Flows

For the year ended 30 June 2022

		2022	2021
	Note	\$	\$
Cash flows from operating activities			
Receipts from operations		908,780	204,464
Payments to suppliers and employees		(785,540)	(295,921)
Interest & dividends received		244	283
Net cash provided by/(used in) operating activities	10(b)	123,483	(91,174)
Net increase/(decrease) in cash held		123,483	(91,174)
Cash at beginning of financial year		265,323	356,498
Cash at end of financial year	10(a)	388,807	265,324

The accompanying notes form part of the financial report.

Notes to the Financial Statements

For the year ended 30 June 2022

1. Statement of significant accounting policies

The committee has determined that the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements. The financial report is a special purpose financial report which has been prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act 2012 and the Australian Charities and Not-for-profits Commission*.

These financial statements have been prepared in accordance with following Australian Accounting Standards:

AASB 101	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1031	Materiality
AASB 1048	Interpretation of Standards
AASB 1054	Australian Additional Disclosures

The financial statements have been prepared on an accrual basis and are based on historical cost and do not take into account changing money values except where specifically stated.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Property, plant and equipment

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

Property

Freehold land and buildings are shown at their fair value, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairments losses.

The carrying amount of plant and equipment is reviewed annually by the committee members to ensure that it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land is depreciated on a straight-line basis over the asset's useful life to the association commencing from the time the asset is held ready to use.

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

Buildings	2%
Plant and equipment	20%
Motor vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised immediately in profit and loss.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

b) Impairment

At each reporting date the committee assesses whether there is objective evidence that a financial instrument has been impaired. If any such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

c) Income tax

The association is a not-for-profit organisation and is exempt from income tax under section 50-45 of the *Income Tax Assessment Act 1997*.

d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits, held at call with banks, other short-term highly liquid investments with original maturities cash within three months.

e) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

The association has applied AASB15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-profit Entities using the cumulative effective method of initially applying AASB15 and AASB1058 as an adjustment to the opening balance of equity at 1 July 2021. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue. The details of accounting policies under AASB 118 have not been disclosed separately as there was no significant impact as a result of the change in accounting policy.

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

When both these conditions are satisfied, the Association:

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

When the contract is not enforceable or does not have sufficiently specific performance obligations, the Association:

- recognises the asset received in accordance with the recognising requirements of applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

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

Interest revenue is recognised using the effective interest rate method.

f) Inventory

Inventory held for sale are measured at the lower of cost and net realisable value.

g) 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). In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are stated inclusive of GST.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

i) Trade creditors and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days on recognition of the liability.

j) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market and are stated at amortised cost using the effective interest rate method.

	2022 \$	2021 \$
2. Government revenue (including grants)		
Commonwealth Government		
(a) Department of Treasury (COVID-19 support)	0	35,543
	0	35,543
State Government		
Department of Environment, Land, Water and Planning	106,000	9,000
Sustainability Victoria	695,987	0
	801,987	9,000
Local Government		
City of Greater Geelong	35,000	23,500
Golden Plains Shire	0	8,000
Borough of Queenscliffe	0	2,500
	35,000	34,000
	836,987	78,543
3. Cash and cash equivalents		
Cash on hand	50	50
Bendigo Bank Main Account	240,018	226,627
Bendigo Bank Debit Card	785	702
Bendigo Bank Term Deposit	100,000	0
Bendigo Bank Public Fund	38,678	27,058
Paypal Account	8,965	9,906
Bendigo Bank GreenLight Debit Card	312	306
Bendigo Bank GreenLight Account	0	674
	388,807	265,323
4. Account receivables and other debtors		
Trade receivables	39,453	4,400
Other receivables	0	0
	39,453	4,400
5. Inventory		
Stock on hand - WGAC Toilet Paper	0	1,110
	0	1,110

	2022	2021
	\$	\$
6. Loans receivable		
CERF Loan - YMCA Geelong Inc. Unsecured	51,300	0
	<u>51,300</u>	<u>0</u>
Community Energy Revolving Fund (CERF) loan to YMCA Geelong Inc. for the installation of a solar system at YMCA Newtown Stadium. Loan Terms: Unsecured, zero-interest, quarterly repayments, matures 1 December 2026.		
7. Shares		
Hepburn Community Wind Park Cooperative Limited	1,000	1,000
Enova Community Energy Ltd	1,000	1,000
	<u>2,000</u>	<u>2,000</u>
Enova Community Energy Ltd has been placed in voluntary administration as of 21 June 2022		
8. Trade creditors and other payables		
Trade creditors	2,879	40,278
GST and PAYG	17,761	(10,327)
Superannuation	8,743	1,646
Other payables	0	0
	<u>29,382</u>	<u>31,597</u>
9. Retained Earnings		
Balance at the beginning of the year	241,236	360,883
Surplus/(Loss) for the year	165,841	(119,647)
Retained Earnings at the end of the financial year	<u>407,077</u>	<u>241,236</u>
10. Cash flow information		
(a) Reconciliation of cash		
Cash at the end of financial year as shown in cash flow statement is reconciled to items in the statement of financial position:		
Cash and cash equivalents	388,807	265,324
Bank overdraft	0	0
	<u>388,807</u>	<u>265,324</u>
(b) Reconciliation of net cash provided by operating activities to surplus		
Surplus from ordinary activities	165,841	(119,647)
Non-cash flows in profit		
Depreciation	0	0
Changes in assets and liabilities:		
(Increase) decrease in Trade Receivables	(86,353)	413
(Increase) decrease in Accrued Income	(18,750)	0
(Increase) decrease in Inventory	1,110	402
Increase (decrease) in Trade Payables	(2,215)	27,657
Increase (decrease) in Deferred Revenue	63,850	0
Net cash provided by (used in) operating activities	<u>123,483</u>	<u>(91,174)</u>

11. Related Parties

Related Party Transactions include payments to committee members as well as to any close member of a committee member's family. Such payments may take the form of honorariums for voluntary work performed or taxable payments for the provision of contracted professional services.

The Australian Charities and Not-for-Profits Commission (ACNC) recommends that charities provide their members with information about payments made to related parties in the Annual Report.

During the financial year ending 30 June 2022, the following committee members were engaged as independent contractors for the following purposes:

- Dan Cowdell, 25 Oct 21 - 31 Jan 22, Interim Management of GreenLight and project management services, \$13,987.50.
- Vicki Perrett, 1 Aug 21 - 29 Oct 21, Event coordinator - Sustainable House Day, \$4,800.

During the financial year ending 30 June 2022, the following committee members provided services to GS through their business for the following purposes:

- Tim Adams, through F2 Design, provided energy efficiency advice to householders for Greenlight services, \$160.
- Jonathan Wright, through Geelong Media, provided website, IT and media services to GS, \$21,137.50.

During the financial year ending 30 June 2022, the following close member of a committee members family provided professional services to GS for the following purposes:

- John Pearce, Sustainable House Day video production, \$3,200.



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GEELONG SUSTAINABILITY GROUP INC.

Report on the Financial Statements for the year ended 30 June 2022

We have reviewed the accompanying financial report of Geelong Sustainability Group Inc., which comprises the Statement by the Management Committee, Balance Sheet as at 30 June 2022, Profit and Loss Statement and Statement of Cash Flow for the year ended on that date and notes to the financial statements comprising a summary of significant accounting policies and other explanatory information.

Committees' Responsibility for the Financial Report

The Committee of Geelong Sustainability Group Inc. are responsible for the presentation of the financial report that gives a true and fair view in accordance with Auditing Standard on *Review Engagements ASRE 2400 Review of a Financial Report*, the *Associations Incorporation Review Act 2012* and for such internal controls as the Committee members determine is necessary to enable the preparation of financial report that is free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on *Review Engagements ASRE 2400 Review of a Financial Report*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Auditing Standard on *Review Engagements ASRE 2400 Review of a Financial Report*, including giving a true and fair view of the entities financial position as at 30 June 2022 and its performance for the period ended on that date and complying with the *Associations Incorporation Review Act 2012*. ASRE 2400 requires that we comply with the ethical requirements relevant to the review of the financial report.

A financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Geelong Sustainability Group Inc. is not in accordance with the *Associations Incorporation Review Act 2012* including:

- (a) giving a true and fair view of its financial position as at 30 June 2022 and of its performance for the year ended on that date, and
- (b) complying with the accounting policies as set out in Note 1 of the financial report.



Basis of Accounting and Restriction on Distribution

Without modifying our conclusion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for Geelong Sustainability Group Inc. for the purpose of fulfilling the committees' financial reporting responsibilities under the Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose.

Stephen Wight
Director

Dated this 21st day of October 2022
Davidsons Assurance Services Pty Ltd
101 West Fyans Street
Geelong Victoria 3220