

# **Geelong Sustainability Group Inc**

ABN: 85 007 177 238

## **Financial Report**

For the year ended 30 June 2023

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## Statement by the Board of Management

For the year ended 30 June 2023

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 2023 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 Board member of the Association during the relevant financial year were:


|                   |   |
|-------------------|---|
| David Spear       | from 16 November 2022                   |
| Merilyn Harris    |   |
| Sara van der Meer | from 16 November 2022                   |
| Vivienne Burke    |   |
| Fred Ritman       | from 16 November 2022                   |
| Neil Plummer      | from 16 November 2022                   |
| Emma Connan       | from 16 November 2022                   |
| Vicki Perrett     | to 16 November 2022                     |
| Tim Adams         | to 16 November 2022                     |
| Jonathan Wright   | to 16 November 2022                     |
| Scott Barnes      | from 24 August 2022 to 16 November 2022 |

- (b) The purposes of the Association are to protect and enhance the natural environment and increase the environmental sustainability of our region.
  - (i) The principal activities of the association during the financial year were advocacy, projects, events and services relating to Climate Action, Renewable Energy, Circular Economy and Sustainable Cities.
- (c) The operating result of the association for the financial year was a net surplus of \$165,910.

Signed in accordance with a resolution of the members of the Board of Management.



David Spear, Chair



Sara van der Meer, Treasurer

Dated this 16<sup>th</sup> day of November 2023

## Statement of Comprehensive Income

For the year ended 30 June 2023

|                                       |      | 2023           | 2022           |
|---------------------------------------|------|----------------|----------------|
|                                       | Note | \$             | \$             |
| <b>Income</b>                         |      |                |                |
| Grants                                | 2    | 160,258        | 773,137        |
| Membership fees                       |      | 8,766          | 10,472         |
| Donations                             |      | 220,416        | 29,995         |
| Fundraising                           |      | 0              | 8,000          |
| Sales                                 |      | 163,856        | 63,678         |
| Sponsorship                           |      | 9,591          | 7,750          |
| Dividends                             |      | 43             | 0              |
| Interest                              |      | 2,821          | 244            |
| CERF seed funding                     |      | 0              | 57,000         |
| <b>Total Income</b>                   |      | <b>565,751</b> | <b>950,276</b> |
| <b>Expense</b>                        |      |                |                |
| Accounting & Legal Fees               |      | 2,925          | 5,721          |
| Audit Fees                            |      | 3,070          | 1,699          |
| Advertising & Promotion               |      | 5,232          | 42,209         |
| IT & Computer Expenses                |      | 24,034         | 58,538         |
| Consultancy Fees                      |      | 144,871        | 227,971        |
| Donations Paid                        |      | 0              | 7,250          |
| Travel & Accommodation                |      | 4,982          | 9,340          |
| Employee Expenses                     |      | 197,580        | 333,289        |
| Client Support Services               |      | 0              | 59,727         |
| Administration & Other Expenses       |      | 17,146         | 38,691         |
| <b>Total Expenses</b>                 |      | <b>399,841</b> | <b>784,435</b> |
| <b>Surplus/(deficit) for the year</b> |      | <b>165,910</b> | <b>165,841</b> |
| <b>Other Comprehensive Income</b>     |      | <b>0</b>       | <b>0</b>       |
| <b>Total Comprehensive Income</b>     |      | <b>165,910</b> | <b>165,841</b> |

The accompanying notes form part of the financial report.

## Statement of Financial Position

For the year ended 30 June 2023

|                                       | Note | 2023<br>\$     | 2022<br>\$     |
|---------------------------------------|------|----------------|----------------|
| <b>ASSETS</b>                         |      |                |                |
| <b>Current Assets</b>                 |      |                |                |
| Cash and cash equivalents             | 3    | 636,343        | 388,807        |
| Accounts receivable and other debtors | 4    | 39,250         | 39,453         |
| Loans receivable                      | 5    | 16,404         | 11,400         |
| Accrued income                        |      | 0              | 18,750         |
| <b>Total Current Assets</b>           |      | <b>691,997</b> | <b>458,409</b> |
| <b>Non-Current Assets</b>             |      |                |                |
| Shares                                | 6    | 2,000          | 2,000          |
| Loans receivable                      | 5    | 44,346         | 39,900         |
| <b>Total Non-Current Assets</b>       |      | <b>46,346</b>  | <b>41,900</b>  |
| <b>TOTAL ASSETS</b>                   |      | <b>738,343</b> | <b>500,309</b> |
| <b>LIABILITIES</b>                    |      |                |                |
| <b>Current liabilities</b>            |      |                |                |
| Trade creditors and other payables    | 7    | 17,644         | 29,382         |
| Employee benefits                     |      | 7,795          | 0              |
| Grants received in advance            |      | 139,917        | 63,850         |
| <b>Total Current Liabilities</b>      |      | <b>165,357</b> | <b>93,232</b>  |
| <b>Non-current liabilities</b>        |      |                |                |
| <b>Total non-current liabilities</b>  |      | <b>0</b>       | <b>0</b>       |
| <b>TOTAL LIABILITIES</b>              |      | <b>165,357</b> | <b>93,232</b>  |
| <b>NET ASSETS</b>                     |      | <b>572,987</b> | <b>407,077</b> |
| <b>EQUITY</b>                         |      |                |                |
| Retained earnings                     | 8    | 572,987        | 407,077        |
| <b>TOTAL EQUITY</b>                   |      | <b>572,987</b> | <b>407,077</b> |

The accompanying notes form part of the financial report.

## Statement of Changes in Equity

For the year ended 30 June 2023

|                                | Retained<br>Earnings | Total          |
|--------------------------------|----------------------|----------------|
|                                | \$                   | \$             |
| Balance at 1 July 2021         | 241,236              | 241,236        |
| Surplus/(deficit) for the year | 165,841              | 165,841        |
| <b>Balance at 30 June 2022</b> | <b>407,077</b>       | <b>407,077</b> |
| Balance at 1 July 2022         | 407,077              | 407,077        |
| Surplus/(deficit) for the year | 165,910              | 165,910        |
| <b>Balance at 30 June 2023</b> | <b>572,987</b>       | <b>572,987</b> |

The accompanying notes form part of the financial report.

## Statement of Cash Flows

For the year ended 30 June 2023

|   | Note | 2023<br>\$ | 2022<br>\$ |
|---|------|------------|------------|
| <b>Cash flows from operating activities</b>         |      |            |            |
| Receipts from operations                            |      | 723,745    | 908,780    |
| Payments to suppliers and employees                 |      | (479,029)  | (785,540)  |
| Interest & dividends received                       |      | 2,821      | 244        |
| Net cash provided by/(used in) operating activities | 9(b) | 247,537    | 123,483    |
| <b>Cash flows from investing activities</b>         |      |            |            |
| Net cash provided by/(used in) investing activities |      | 0          | 0          |
| <b>Cash flows from financing activities</b>         |      |            |            |
| Net cash provided by/(used in) financing activities |      | 0          | 0          |
| <b>Net increase/(decrease) in cash held</b>         |      | 247,537    | 123,483    |
| Cash at beginning of financial year                 |      | 388,807    | 265,323    |
| Cash at end of financial year                       | 9(a) | 636,343    | 388,807    |

The accompanying notes form part of the financial report.

## Notes to the Financial Statements

For the year ended 30 June 2023

### 1. Statement of significant accounting policies

The Board 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 124  | Related Party Disclosures                                       |
| 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 Board 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 Board 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 Association 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.

|   | 2023<br>\$     | 2022<br>\$     |
|---|----------------|----------------|
| <b>2. Government revenue (including grants)</b>   |                |                |
| <b>State Government</b>   |                |                |
| Department of Environment, Land, Water and Planning   | 105,861        | 45,139         |
| Sustainability Victoria   | 21,325         | 695,987        |
|   | <u>127,186</u> | <u>741,126</u> |
| <b>Local Government</b>   |                |                |
| City of Greater Geelong   | 33,072         | 32,011         |
|   | <u>33,072</u>  | <u>32,011</u>  |
|   | <u>160,258</u> | <u>773,137</u> |
| <b>3. Cash and cash equivalents</b>   |                |                |
| Cash on hand  | 50             | 50             |
| Bendigo Bank Debit Card   | 998            | 785            |
| Bendigo Bank Main Account   | 328,179        | 240,018        |
| Bendigo Bank Term Deposit   | 0              | 100,000        |
| Bendigo Bank GreenLight Account   | 0              | 312            |
| Bendigo Bank Community Energy Revolving Fund  | 171,718        | 0              |
| Bendigo Bank Public Fund  | 131,092        | 38,678         |
| Paypal Account  | 4,307          | 8,965          |
|   | <u>636,343</u> | <u>388,807</u> |
| <b>4. Account receivables and other debtors</b>   |                |                |
| Trade receivables   | 39,250         | 39,453         |
|   | <u>39,250</u>  | <u>39,453</u>  |
| <b>5. Loans receivable</b>  |                |                |
| CERF Loan - YMCA Geelong Inc. Unsecured   | 39,900         | 51,300         |
| CERF Loan - Freshwater Creek Steiner School. Unsecured  | 20,850         | 0              |
|   | <u>60,750</u>  | <u>51,300</u>  |
| Community Energy Revolving Fund (CERF) for the installation of energy upgrades ie. solar systems.<br>Loan Terms: Unsecured, zero-interest, monthly repayments.<br>YMCA Geelong Inc. loan matures 1 December 2026.<br>Freshwater Creek Steiner School loan matures 1 October 2027. |                |                |
| <b>6. Shares</b>  |                |                |
| Hepburn Community Wind Park Cooperative Limited   | 1,000          | 1,000          |
| Enova Community Energy Ltd  | 1,000          | 1,000          |

| 2,000 | 2,000 |
|-------|-------|
|-------|-------|

Enova Community Energy Ltd has been placed in voluntary administration as of 21 June 2022

## 7. Trade creditors and other payables

|                 |        |        |
|-----------------|--------|--------|
| Trade creditors | 0      | 2,879  |
| GST and PAYG    | 13,854 | 17,761 |
| Superannuation  | 3,790  | 8,743  |
| Other payables  | 0      | 0      |
|                 | 17,644 | 29,382 |

## 8. Retained Earnings

|  |         |         |
|--|---------|---------|
| Balance at the beginning of the year               | 407,077 | 241,236 |
| Surplus/(Loss) for the year                        | 165,910 | 165,841 |
| Retained Earnings at the end of the financial year | 572,987 | 407,077 |

## 9. 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 | 636,343 | 388,807 |
|---------------------------|---------|---------|

### (b) Reconciliation of net cash provided by operating activities to surplus

|                                  |         |         |
|----------------------------------|---------|---------|
| Surplus from ordinary activities | 165,910 | 165,841 |
|----------------------------------|---------|---------|

### Non-cash flows in profit

|              |   |   |
|--------------|---|---|
| Depreciation | 0 | 0 |
|--------------|---|---|

### Changes in assets and liabilities:

|  |         |          |
|--|---------|----------|
| (Increase) decrease in Trade Receivables | 203     | (35,053) |
| (Increase) decrease in Other Assets      | (9,450) | (51,300) |
| (Increase) decrease in Accrued Income    | 18,750  | (18,750) |
| (Increase) decrease in Inventory         | 0       | 1,110    |
| (Increase) decrease in Prepayments       | 0       | 0        |

|  |          |         |
|--|----------|---------|
| Increase (decrease) in Trade Payables      | (11,738) | (2,215) |
| Increase (decrease) in Accrued Expenses    | 0        | 0       |
| Increase (decrease) in Deferred Revenue    | 76,067   | 63,850  |
| Increase (decrease) in Employee Provisions | 7,795    | 0       |

|  |                |                |
|--|----------------|----------------|
| <b>Net cash provided by (used in) operating activities</b> | <b>247,537</b> | <b>123,483</b> |
|--|----------------|----------------|

## 11. Related Parties

Related Party Transactions include payments to Board members as well as to any close member of a Board 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 2023, the following Board members were engaged as independent contractors for the following purposes:

- Scott Barnes for providing home visits and sensor maintenance for the Climate Safe Rooms project, \$3,381.

During the financial year ending 30 June 2023, the following Board members provided services to Geelong Sustainability (GS) through their business for the following purposes:

- Tim Adams, through F2Design, provided energy efficiency advice and audits to householders and businesses, \$2,368.
- Jonathan Wright, through Geelong Media, provided website, IT and media services to GS, \$19,200.
- David Spear, through Spearhead Strategic Design Services, provided services for strategic workshop planning and facilitation for the GS Board, \$3,600.
  - Note: These services were provided prior to David Spear being elected to the GS Board.



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

### **Report on the Financial Statements for the year ended 30 June 2023**

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 2023, 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 2023 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 2023 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 21<sup>st</sup> day of November 2023

Davidsons Assurance Services Pty Ltd  
101 West Fyans Street  
Geelong Victoria 3220