

LANDCARE VICTORIA INC

**A011936S
ABN 69 561 995 226**

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2023**

LANDCARE VICTORIA INC
A011936S
ABN 69 561 995 226

COMMITTEE MEMBERS' REPORT

Your Committee Members present their report on the Landcare Victoria Inc for the year ended 31 December 2023.

Committee Members

The names of committee members in office at any time during, or since the end of, the period are:

Jane Carney (Chair)	Robert Spittle (appointed 20 May 2023)
John Birse (Treasurer)	Kerri Robson (co-opted 22 June 2023)
Alisa Beth Ripper (Secretary)	Deborah Shea (resigned 19 May 2023)
Leanne Jackman (Deputy Chair – Operations)	Terence Hubbard (resigned 1 December 2023)
Paul Foreman (Deputy Chair – Partnerships)	Danny Pettingill (resigned 19 May 2023)
Alice Knight	
Ric Oldham	
Andrea Montgomery	

Committee members have been in office since the start of the period to the date of this report unless otherwise stated.

Operating results

The surplus of the association for the financial year amounted to \$33,966 (2022 \$390,270).

Significant changes in state of affairs

No significant change in the association's state of affairs occurred during the year.

Principal Activities

The principal activities of the association during the financial year has been to support the LVI Member Groups, including providing insurance packages which provide public liability, voluntary workers and associations liability. There has been no significant change in the nature of the association's activities during the financial year.

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COMMITTEE MEMBERS' REPORT

After balance date events

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the association's operations, the results of those operations, or the association's state of affairs in future financial years.

Environmental issues

The association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnifying Officers or Auditors

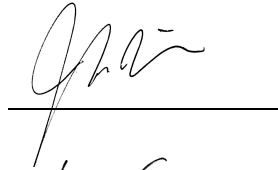
During the year, the association has paid an insurance premium to ensure indemnification of committee members and management. No payments were made to indemnify the association's auditors

Proceedings on behalf of the Association

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

Signed in accordance with a resolution of Committee members.

Committee member



Committee member



Dated this 26th day of March, 2024

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STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
	Note	\$	\$
Revenue	2	1,545,849	2,109,475
Employee benefit expense		(539,868)	(406,171)
Auditors remuneration	4	(3,600)	(4,100)
Lease expense	3	(31,121)	(17,652)
Other expenses	3	(937,294)	(1,291,282)
Surplus/(Deficit) for the year		<u>33,966</u>	<u>390,270</u>
Other comprehensive income		-	-
Total Comprehensive Income/(Loss) for the year		<u><u>33,966</u></u>	<u><u>390,270</u></u>

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION
AS AT
31 DECEMBER 2023

	Note	2023	2022
		\$	\$
Cash at bank	5	960,093	1,272,489
Trade and other receivables		30,538	31,053
Prepayments		<u>46,893</u>	<u>43,828</u>
TOTAL CURRENT ASSETS		<u>1,037,524</u>	<u>1,347,370</u>
TOTAL ASSETS		<u>1,037,524</u>	<u>1,347,370</u>
CURRENT LIABILITIES			
Trade and other payables	6	410,195	739,965
Employee benefits	7	<u>14,796</u>	<u>33,451</u>
TOTAL CURRENT LIABILITIES		<u>424,991</u>	<u>773,416</u>
NON CURRENT LIABILITIES			
Employee benefits	7	11,704	7,091
TOTAL LIABILITIES		<u>436,695</u>	<u>780,507</u>
NET ASSETS		<u>600,829</u>	<u>566,863</u>
EQUITY			
Retained Surpluses		109,648	78,118
Reserves	10	<u>491,181</u>	<u>488,745</u>
TOTAL EQUITY		<u>600,829</u>	<u>566,863</u>

The accompanying notes form part of these financial statements.

**LANDCARE VICTORIA
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**STATEMENT OF CHANGES IN
EQUITY**

**FOR THE YEAR ENDED
31 DECEMBER 2023**

	Retained Surpluses	Insurance Reserve	Public Fund	New Futures Reserve	Advancing Landcare Reserve	VLN Landcare Support Staff Reserve	Total
	\$	\$	\$	\$		\$	\$
Balance at 1 January 2023	78,118	40,625	6,648	395,000	30,473	16,000	566,863
Total Comprehensive Income/(Loss) for the year	33,966	-	-	-	-	-	33,966
Reserve release	-	-	-	-	-	-	-
Allocation to (from) Reserves	(2,436)	-	(5,569)	54,477	(30,473)	(16,000)	-
Balance at 31 December 2023	109,648	40,625	1,079	449,477	-	-	600,829

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
31 DECEMBER 2023

	Note	2023	2022
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations		1,604,509	2,673,584
Payments to suppliers and employees		(1,921,644)	(1,783,053)
Interest received		<u>4,739</u>	<u>663</u>
Net cash proceeds from/(used in) operating activities	5	<u>(312,396)</u>	<u>891,193</u>
Cash and cash equivalents at beginning of financial year		1,272,489	381,296
Net increase/(decrease) in cash held		<u>(312,396)</u>	<u>891,193</u>
Cash and cash equivalents at end of financial year	5	<u><u>960,093</u></u>	<u><u>1,272,489</u></u>

The accompanying notes form part of these financial statements.

LANDCARE VICTORIA INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

Note 1: Statement of significant accounting policies

The financial report covers the entity of Landcare Victoria Inc, incorporated and domiciled in Australia. The address of the association's registered office is 24-28 Collins Street, Melbourne VIC 3000.

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, the Interpretations issued by the Australian Accounting Standards Board (AASB) Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Regulations 2023 and the Associations Incorporations Reform Regulations 2023. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on the historical cost basis.

The financial statements are presented in Australian dollars, which is the association's functional currency.

(b) Income tax

As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

No provision for income tax is made.

(c) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 1: Statement of significant accounting policies (cont.)

(d) Employee benefits

Wages and salaries and annual leave

Liabilities for salaries and wages, including non-monetary benefits, and annual leave expected to be entitled within twelve months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting time and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The liability is measured as the value of expected payments should the relevant leave accrued to employees be taken as at balance date. The non-current portion of the liability includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable:

Subscription income is recognised when members are invoiced and are entitled to the associated benefits.

When grant revenue is received with an associated obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST.

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Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) Other receivables

Other receivables are recognised at amortised cost less any provision for impairment.

(h) Trade and other payables

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

(i) New standards and interpretations not yet adopted

Certain new accounting standards have been published that are not mandatory for 31 December 2023 reporting periods. These new standards and interpretations have been assessed by management and determined that they will have little or no impact on the association. AASB 16: Leases, has not been applied as there is a relief exemption, for not-for-profit organisations, from reporting under that Standard.

(j) Critical Accounting estimates

The preparation of financial statements requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 11.

The going concern basis is considered to still be appropriate.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2023

	2023	2022
	\$	\$
Note 2 : Revenue		
Operating Activities		
Subscriptions and Insurance charges	305,435	317,585
Grants	368,312	387,616
Auspiced Grants Received	208,079	990,469
Donations	641,594	407,137
Other Income	17,636	6,005
Interest – bank deposits	4,793	663
	-	-
Total Revenue	1,545,849	2,109,475

Note 3: Expenses

Rental expense on operating leases		
- Minimum lease payments	31,121	17,652
Other expenses from ordinary activities		
Administrative expenses	74,455	36,849
Forum Expenses	34,175	1,216
Auspiced Grants Paid	203,230	989,019
Grant Funds to Partner Organisations	220,000	-
Communication Expenses	2,749	3,290
Contractors/Consultants/Temp Staff	127,950	100,394
Meeting Expenses and Committee Members		
Reimbursements	10,553	20,685
Sponsorships/Donations	163,851	300
Insurance	69,825	62,348
IT Expenses	30,369	77,055
Sundry Expenses	137	126
Total other expenses	937,294	1,291,282

Note 4: Auditors Remuneration

Remuneration of the Auditor for:		
Auditing the financial report	3,600	4,100

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NOTES TO THE FINANCIAL STATEMENTS
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	Note	2023	2022
		\$	\$
Note 5: Cash and cash equivalents			
Cash at bank		960,093	1,272,489
Reconciliation of net surplus/(deficit) after tax to net cash flows from operations			
Net surplus/(deficit)		33,966	390,270
<i>Changes in assets and liabilities</i>			
(Increase)/Decrease in trade receivables		515	(16,245)
(Increase)/Decrease in Other Debtors		-	(2,912)
(Increase)/Decrease in prepayments		(3,065)	(66)
Increase/(Decrease) in trade and other payables		(329,770)	507,745
Increase/(Decrease) in provision for employee entitlements		(14,042)	12,402
		(312,396)	891,194
Note 6 : Trade and other payables			
Trade payables and accruals		330,671	548,225
Premium Funding - Insurance		-	28,585
GST payable(refundable)		(17,630)	27,649
Grant funds under management	6(i)	97,154	127,282
Deposits re Memberships		-	8,224
		410,195	739,965

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NOTES TO THE FINANCIAL STATEMENTS
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Note 6: Trade and other payables (Cont.)

(i) Movement in Grant Funds Under Management

	Opening Balance	Grants Repaid	Received/invoiced during the year	Taken to Income*	Closing balance
DEECA - Collaboration 2023/24	-		150,000	(57,846)	92,154
DEECA – Collaboration 2022/23	111,266		-	(111,266)	-
Landcare Australia Ltd	16,016		4,505	(20,521)	-
Other Grant Funding	-		183,679	(178,679)	5,000
	127,282		333,184	(368,312)	97,154

* Figures do not include project co-contributions by LVI

Note 7 : Employee Benefits	2023	2022
	\$	\$
Current:		
Annual Leave	14,796	33,451
Non-current:		
Long Service Leave	11,704	7,091

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	2023	2022
	\$	\$
Note 8 : Key Management Personnel compensation		
Compensation to key management personnel	212,636	196,748
Note 9 : Related party transactions		
Transactions with related parties		
Remuneration/Honoraria received by Committee members	5,000	9,000
Note 10 : Reserves		
Insurance reserve		
Insurance reserve Excess Pool	40,625	40,625
Insurance reserve Claims Incurred	-	-
	40,625	40,625
New Futures Reserve		
	449,477	395,000
Project Reserves		
Public Fund	1,079	6,648
Advancing Landcare Reserve		30,472
VLN Landcare Support Staff		16,000
	1,079	53,120
Total reserves	491,181	488,745

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(i) Insurance reserve

Under the terms of Landcare Victoria Inc's agreement with its members to provide insurance, an event, of which the Association has not yet been informed, may have occurred which will result in a future outflow of funds. The committee has created a reserve to cover two types of potential obligations arising which are: excesses payable on claims made, which are self-insured, and future events incurred for which claims have not yet been made. The value of the reserve has been determined using the history of claims and the experience and judgement of the committee members.

(ii) Project Reserves

VLN Landcare Support Staff

This reserve recognises the fund established by the merger of predecessor organisations Victorian Landcare Council and Victorian Landcare Network in 2012.

Advancing Landcare Reserve

This reserve held funds provided by the RE Ross Trust during 2020 that supported delivery of the Advancing Landcare Project.

(iii) The Public Fund

This fund is the Victorian Landcare Fund that receives tax deductible donations.

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Note 11: 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, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other 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 material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Long service leave provision

As discussed in note 1, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

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COMMITTEE MEMBERS' DECLARATION

In the opinion of the Committee the financial report:

- 1) Presents a true and fair view of the financial position of the Landcare Victoria Inc. as at 31 December 2023 and its performance for the year ended on that date in accordance with the Associations Incorporation Reform Regulations 2023 and applicable Australian Accounting Standards (including Australian Accounting Interpretations).

- 2) At the date of this statement, there are reasonable grounds to believe that the Landcare Victoria Inc. will be able to pay its debts as and when they fall due.

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

President



Treasurer



Dated this

26th day of March, 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Landcare Victoria Inc Report on the Audit of the Financial Report

Opinion

I have audited the accompanying financial report, being a special purpose financial report of the Landcare Victoria Inc., which comprises Statement of Surplus or Deficit and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Accounts and Committee Members' Declaration for the period ended 31 December 2023.

In my opinion, the financial report of the Landcare Victoria Inc gives a true and fair view of the financial position of the Landcare Victoria Inc as at 31st December, 2023 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the entity in accordance with the *Associations Incorporation Reform Regulations 2023 (Vic)*, the *Australian Charities and Not-for-Profits Commission Regulations 2023* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Committee of Management' financial reporting responsibilities under the *Associations Incorporation Reform Regulations 2023 (Vic)* and the *Australian Charities and Not-for-Profits Commission Regulations 2023*. As a result, the financial report may not be suitable for another purpose.

Responsibility of the Committee of Management for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the *Associations Incorporation Reform Regulations 2023 (Vic)* and the *Australian Charities and Not-for-Profits Commission Regulations 2023* and for such internal control as the Committee of Management determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Committee of Management are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

The Committee of Management is responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that audits conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the entities' 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 registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity 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.

I communicate with Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Rob Florence, FCPA

Florence Audit & Assurance
97 Mair Street East
BALLARAT VIC 3350

Dated: 28th March, 2024