

MURRUMBIDGEE LANDCARE ASSOCIATION INCORPORATED

ABN: 59 405 570 378

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

MURRUMBIDGEE LANDCARE ASSOCIATION INCORPORATED

ABN: 59 405 570 378

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FOR THE YEAR ENDED 30 JUNE 2016

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MURRUMBIDGEE LANDCARE ASSOCIATION INCORPORATED

ABN: 59 405 570 378

AUDITORS INDEPENDENCE DECLARATION

Pursuant to Section 60-40 of the *Australian Charities and Not-for-Profits Commission Act*, as lead auditor for the audit of Murrumbidgee Landcare Association Incorporated we declare that, to the best of our knowledge and belief, during the year ended 30 June 2016, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-Profits Commission Act*, in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Countplus National Audits Pty Ltd
Authorised Audit Company



Steven J Watson CA
Director

13 October 2016

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MURRUMBIDGEE LANDCARE ASSOCIATION INC

ABN: 59 405 570 378

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

		2016	2015
	Note	\$	\$
Revenue	3	831,697	714,074
Auditor's remuneration	10	(8,000)	(6,220)
Consultant fees		(50,693)	(155,319)
Computer expenses		(3,024)	(5,350)
Employee entitlements movement		(12,084)	11,545
Landcare support		(1,320)	(2,161)
On-ground works		(237,981)	(227,776)
Other expenses		(74,760)	(37,797)
Printing, postage & stationery		(11,380)	(13,533)
Superannuation contributions		(31,298)	(21,792)
Travelling expenses		(55,637)	(30,391)
Wages		(331,789)	(263,423)
Project / Contract management		(28,000)	-
		-	-
Profit / (loss) for the year		(14,269)	(38,143)
Income tax expense	2(a)	-	-
Other comprehensive income for the year		-	-
Total comprehensive income /(expense) for the year		(14,269)	(38,143)

The accompanying notes form part of these financial statements.

MURRUMBIDGEE LANDCARE ASSOCIATION INC

ABN: 59 405 570 378

STATEMENT OF FINANCIAL POSITION

30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	306,749	349,486
Trade and other receivables	5	221,957	133,565
TOTAL CURRENT ASSETS		528,706	483,051
NON-CURRENT ASSETS			
Property, plant and equipment	6	6,188	4,899
TOTAL NON-CURRENT ASSETS		6,188	4,899
TOTAL ASSETS		534,894	487,950
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	41,986	59,302
Employee benefits	9	29,742	15,139
Other liabilities	8	462,728	398,802
TOTAL CURRENT LIABILITIES		534,456	473,243
TOTAL LIABILITIES		534,456	473,243
NET ASSETS		438	14,707
EQUITY			
Retained Earnings		438	14,707
TOTAL EQUITY		438	14,707

The accompanying notes form part of these financial statements.

MURRUMBIDGEE LANDCARE ASSOCIATION INC

ABN: 59 405 570 378

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
Retained earnings at the beginning of the year	14,707	52,850
Profit/(loss) for the year attributable to members	(14,269)	(38,143)
Retained earnings at the end of the year	<u>438</u>	<u>14,707</u>

The accompanying notes form part of these financial statements.

MURRUMBIDGEE LANDCARE ASSOCIATION INC

ABN: 59 405 570 378

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	741,229	668,417
Payments to suppliers and employees	(783,235)	(777,140)
Interest received	2,076	2,964
Net cash provided by/(used in) operating activities	12 <u>(39,930)</u>	<u>(105,759)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(2,807)</u>	<u>(6,577)</u>
Net cash used by investing activities	<u>(2,807)</u>	<u>(6,577)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	(42,737)	(112,336)
Cash and cash equivalents at beginning of year	<u>349,486</u>	<u>461,822</u>
Cash and cash equivalents at end of financial year	4 <u><u>306,749</u></u>	<u><u>349,486</u></u>

The accompanying notes form part of these financial statements.

MURRUMBIDGEE LANDCARE ASSOCIATION INC

ABN: 59 405 570 378

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

The financial statements cover Murrumbidgee Landcare Association Incorporated as an individual entity. Murrumbidgee Landcare Association Incorporated is a not-for-profit Association, incorporated and domiciled in Australia.

The principal activities of the Association for the year ended 30 June 2016 were to:

- Provide initiatives to improve and strengthen the grassroots Landcare movement;
- Represent Landcare group members at National, State and Local levels;
- Promote and develop a Landcare network;
- Investigate funding sources for community projects; and
- Provide a forum for Landcarers to gain information and exchange ideas.

The functional and presentation currency of Murrumbidgee Landcare Association Incorporated is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 BASIS OF PREPARATION

The financial statements are special purpose financial statements that have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the *Associations Incorporation Act (NSW) 2009* and the relevant Australian Accounting Standards.

The financial statement have been prepared on an accruals basis of accounting.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an 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

Interest is recognised using the effective interest method.

MURRUMBIDGEE LANDCARE ASSOCIATION INC

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(b) Revenue and other income continued

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are reported on an inclusive basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Plant and equipment

Each class of plant and equipment is carried at cost, where applicable, any accumulated depreciation and impairment.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model. Plant and equipment generally costing \$500 and above are capitalised.

Depreciation

Plant and equipment is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Plant and Equipment	14% - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and cash at bank which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

MURRUMBIDGEE LANDCARE ASSOCIATION INC

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

3 REVENUE AND OTHER INCOME

<i>Revenue from continuing operations</i>	2016	2015
	\$	\$
Sales revenue		
- Interest received	2,076	2,964
- Membership subscriptions	405	375
- Sundry income	921	13,611
- Grants received	825,125	686,852
- Consultancy income	3,170	10,272
Total Revenue	831,697	714,074

4 CASH AND CASH EQUIVALENTS

Westpac Bank Cheque account	29,574	32,325
WBC Cash Reserve account	277,103	317,019
Cash on hand	72	142
	306,749	349,486

5 TRADE AND OTHER RECEIVABLES

Trade receivables	221,957	133,565
	221,957	133,565

6 PROPERTY, PLANT AND EQUIPMENT

Office equipment		
At cost	12,786	9,979
Accumulated depreciation	(6,598)	(5,080)
Total office equipment	6,188	4,899

MURRUMBIDGEE LANDCARE ASSOCIATION INC

ABN: 59 405 570 378

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

6 PROPERTY, PLANT AND EQUIPMENT CONTINUED

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	2016
	\$
Balance at the beginning of year	4,899
Additions	2,807
Depreciation expense	(1,518)
Balance at the end of the year	6,188

7 TRADE AND OTHER PAYABLES

	2016	2015
	\$	\$
Trade payables	-	19,441
GST payable	34,073	33,122
Payroll accruals payable	7,913	6,739
	<u>41,986</u>	<u>59,302</u>

8 OTHER LIABILITIES

Unspent grants	<u>462,728</u>	<u>398,802</u>
	<u>462,728</u>	<u>398,802</u>

MURRUMBIDGEE LANDCARE ASSOCIATION INC

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

9 EMPLOYEE BENEFITS	2016	2015
	\$	\$
Superannuation	9,469	6,950
Provision for annual leave	20,273	8,189
	<u>29,742</u>	<u>15,139</u>

10 AUDITORS' REMUNERATION

Auditing the financial statements	<u>8,000</u>	<u>6,220</u>
Total	<u>8,000</u>	<u>6,220</u>

11 CONTINGENCIES

In the opinion of the Committee, the Association did not have any contingencies at 30 June 2016 (30 June 2015:None).

12 CASH FLOW INFORMATION

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

Profit for the year	(14,269)	(38,143)
Non-cash flows in profit:		
- depreciation	1,518	1,678
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(88,392)	(42,693)
- increase/(decrease) in trade and other payables	(17,316)	(21,416)
- increase/(decrease) in other liabilities	63,926	9
- increase/(decrease) in employee benefits	14,603	(5,194)
Cashflow from operations	<u>(39,930)</u>	<u>(105,759)</u>

13 EVENTS OCCURRING AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

MURRUMBIDGEE LANDCARE ASSOCIATION INC

ABN: 59 405 570 378

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

14 GOING CONCERN

The Association incurred a loss of \$14,269 this financial year (2015: \$38,142). This results in the Association having \$438 in retained earnings. If the entity continues to incur losses the entity could find itself in a serious financial difficulty, Management are aware of this and acknowledge significant changes will need to occur with staffing and are looking at ways to reduce administration expenses and produce income from non-grant related activities which they can use to fund administration costs.

MURRUMBIDGEE LANDCARE ASSOCIATION INCORPORATED

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RESPONSIBLE PERSONS' DECLARATION

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Responsible person
Thomas Stacy



Responsible person
Edwin Wolfe

Dated this 13th day of October 2016

MURRUMBIDGEE LANDCARE ASSOCIATION INCORPORATED

ABN: 59 405 570 378

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF MURRUMBIDGEE LANDCARE ASSOCIATION INCORPORATED

Report on the Financial Statements

We have audited the accompanying financial statements, being special purpose financial statements of Murrumbidgee Landcare Association Incorporated, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible persons' declaration.

Committees' Responsibility for the Financial Statements

The Committee of the Association are responsible for the preparation of the financial statements that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements are appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* (ACNC Act) and the needs of the members. The Committees responsibility also includes such internal control as the Committees determine is necessary to enable the preparation of financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation of the financial statements that gives a true and fair view 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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committees, as well as evaluating the overall presentation of the financial statements.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*.

Opinion

In our opinion the financial statements of Murrumbidgee Landcare Association Incorporated have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2016 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

MURRUMBIDGEE LANDCARE ASSOCIATION INCORPORATED

ABN: 59 405 570 378

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF MURRUMBIDGEE LANDCARE
ASSOCIATION INCORPORATED**

Emphasis of Matter

Without qualifying our opinion, we draw attention to the Statement of Financial Position, as at 30 June 2016 the Associations retained earnings have been largely utilised with \$438 (2015 \$14,707) remaining at year end. These conditions along with other matters set forth in Note 14, indicate the existence of a material uncertainty that may cast significant doubt about the Association's ability to continue as a going concern and therefore, the Association may be unable to realise its assets and discharge its liabilities in the normal course of business.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Committees' financial reporting responsibilities under the ACNC Act. As a result, the financial statements may not be suitable for another purpose.

Countplus National Audits Pty Ltd
Authorised Audit Company



Steven J Watson CA
Director

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Dated 13 October 2016

MURRUMBIDGEE LANDCARE ASSOCIATION INC

ABN: 59 405 570 378

FOR THE YEAR ENDED 30 JUNE 2016

DISCLAIMER

The additional financial data presented on page 16 is in accordance with the books and records of the Association which have been subjected to the auditing procedures applied in our statutory audit of the Association for the year ended 30 June 2016. It will be appreciated that our statutory audit did not cover all details of the additional financial data.

Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person other than Murrumbidgee Landcare Association Incorporated in respect of such data, including any errors of omissions therein however caused.

Countplus National Audits Pty Ltd
Authorised Audit Company



Steven J Watson CA
Director

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MURRUMBIDGEE LANDCARE ASSOCIATION INC

ABN: 59 405 570 378

FOR THE YEAR ENDED 30 JUNE 2016

PROFIT AND LOSS ACCOUNT

	2016	2015
	\$	\$
Income		
Consultancy income	3,170	10,272
Grants received	825,125	686,852
Interest income	921	13,611
Interest received	2,076	2,964
Membership subscriptions	405	375
Total income	831,697	714,074
Advertising	3,333	1,354
Auditor's remuneration	8,000	6,220
Bank charges	17	129
Books and manuals	591	174
Computer expenses	3,024	5,350
Consultant fees	50,693	155,319
Depreciation	1,518	1,678
Employee entitlements movement	12,084	(11,545)
Fire management	2,269	-
Field equipment	4,550	5,186
Forum expenses	10,238	7,420
ISP	1,810	1,703
Insurance	1,635	2,074
Landcare support	1,320	2,161
Office expenses	3,631	2,468
On-ground works	237,981	227,776
Printing, postage & stationery	11,380	13,533
Project communications	16,000	2,430
Project / Contract management	28,000	-
Rent	9,143	604
Risk management	-	1,282
Subscriptions	931	1,139
Sundry expenses	326	3,133
Superannuation Contributions	31,298	21,792
Telephone & internet	8,291	4,563
Training & conferences	3,640	2,460
Travelling expenses	55,637	30,391
Wages	331,789	263,423
Web domain hosting	4,179	-
Website administration	2,658	-
Total Expenses	845,966	752,217
Profit /(loss) for the year	(14,269)	(38,143)