Landcare NSW Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

Description	Note	2023 $	2022 $
Revenue	5		
Organisational Revenue			
Fee for service revenue		144,865	179,146
Activity generated revenue		23,085	15,295
Interest income		10,261	311
Membership		132,278	66,139
Other income		-	129,860
Donations received		36,877	22,081
Total Organisational Revenue		347,366	412,832
Project revenue		3,156,216	2,901,555
Total revenue		3,503,582	3,314,387
Expenditure			
Organisational expenditure			
Administration		(341,415)	(368,409)
Employee costs		(590,305)	(519,609)
Total Organisational expenditure		(931,720)	(888,018)
Project expenditure			
Project expenditure		(2,374,904)	(1,947,874)
Employee expenses		(708,875)	(608,415)
Total project expenditure		(3,083,779)	(2,556,289)
Total Expenditure		(4,015,499)	(3,444,307)
Profit (loss) for the year		(511,917)	(129,920)
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		(511,917)	(129,920)

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	6	1,971,969	1,549,071
Trade and other receivables	7	24,954	40,861
Other assets	9	73,649	418,141
Total current assets		2,070,572	2,008,073
Non-current assets			
Trade and other receivables	7	18,631	18,631
Right-of-use assets	10	139,108	195,683
Total non-current assets		157,739	214,314
Total assets		2,228,311	2,222,387
Liabilities			
Current liabilities			
Trade and other payables	11	843,935	261,585
Employee benefits	13	65,811	59,763
Contract liabilities	8	393,574	426,195
Lease liabilities	10	79,883	80,012
Other liabilities	12	236,700	188,942
Total current liabilities		1,619,903	1,016,497
Non-current liabilities			
Employee benefits	13	9,324	9,532
Lease liabilities	10	41,094	126,451
Total non-current liabilities		50,418	135,983
Total liabilities		1,670,321	1,152,480
Net assets		557,990	1,069,907
Equity			
Retained earnings		557,990	1,069,907

The accompanying notes form part of these financial statements.

Landcare NSW Limited

Statement of changes in equity

For the year ended 30 June 2023

2022	Retained earnings $	Total equity $
Opening balance	1,199,827	1,199,827
Loss for the year	(129,920)	(129,920)
Closing balance	1,069,907	1,069,907

2023	Retained earnings $	Total equity $
Opening balance	1,069,907	1,069,907
Loss for the year	(511,917)	(511,917)
Closing balance	557,990	557,990

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2023

	2023	2022
	$	$
Cash flows from operating activities:		
Payments to suppliers and employees	(4,091,517)	(3,959,461)
Interest received	10,261	311
Receipt from grants	3,177,107	2,781,600
Other receipts	1,435,776	587,011
Net cash flows from/(used in) operating activities	531,627	(590,539)
Cash flows from financing activities:		
Payment of lease liabilities	(108,729)	(75,960)
Net increase/(decrease) in cash and cash equivalents	422,898	(666,499)
Cash and cash equivalents at beginning of year	1,549,071	2,215,570
Cash and cash equivalents at end of financial year	1,971,969	1,549,071

The accompanying notes form part of these financial statements.

1. Introduction

The financial report covers Landcare NSW Limited (the Company) as an individual entity. Landcare NSW Limited is a not-for-profit Company registered charity with the *Australian Charities and Not-for-profits Commission* (ACNC).

From 27 July 2022 Landcare NSW Incorporated restructured into an incorporated entity limited by guarantee, Landcare NSW Limited. All assets were legally transferred utilising a deed of transfer to the new corporate (Limited by Guarantee) entity and the operations and services of Landcare NSW Limited remain unchanged.

The functional and presentation currency of Landcare NSW Limited is Australian dollars.

The financial report was authorised for issue by those charged with governance on 26 October 2023.

Comparatives represent the results of Landcare NSW Incorporated and are consistent with prior years, unless otherwise stated.

2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

3. Summary of significant accounting policies

a. Income tax

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

b. Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

c. Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

i. Financial assets

Classification

On initial recognition, the Company classifies its financial assets as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

ii. Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables and lease liabilities.

4. Critical accounting estimates and judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

a. Key estimates - revenue recognition

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with a number of parties at the company, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

Grants received by the company have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made.

If this determination was changed then the revenue recognition pattern would be different from that recognised in these financial statements.

b. Leases - Determination of lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

c. Provision for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service. The amount of these provisions would change should any of these factors change in the next 12 months.

5. Revenue and other income

a. Accounting policy

i. Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

ii. Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Interest Income

Investment income comprises interest. Interest income is recognised as it accrues, using the effective interest method.

Membership

The membership year runs from 1 July to 30 June. Membership income is recognised on an accruals basis. Membership/Blanket insurance income received for a future membership year is recorded as income in advance at balance date.

Revenue from Government contracts and Corporate Partnerships

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company:

- Identifies the contract with a customer;
- Identifies the performance obligations in the contract;
- Determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- Allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- Recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.