

Landcare NSW Limited

Notes to the financial statements

For the year ended 30 June 2023

Donations

Donations are recognised at the time the funds are received. If conditions are attached to the donation which must be satisfied before the company is eligible to retain the donation, the donation will be recognised in the statement of financial position as a liability until those conditions are satisfied.

iii. Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

iv. Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

v. Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

b. Revenue from continuing operations

	2023	2022
	\$	\$
Revenue from contracts with customers (AASB 15)		
Provision of services	144,865	179,146
Project revenue - State Government	1,945,291	1,510,750
Member subscriptions	132,278	66,139
	2,222,434	1,756,035

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	2023	2022
	\$	\$
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
Donations	36,877	22,081
Sponsorship	13,813	6,024
Project revenue - Government	1,210,925	1,390,805
Other revenue from other sources	9,272	9,271
	1,270,887	1,428,181
	3,493,321	3,184,216

c. Other income

	2023	2022
	\$	\$
Covid-19 government subsidies	-	129,860
Interest income	10,261	311
	10,261	130,171

d. Unsatisfied performance obligations

The following table shows the amount of funding recognised as a contract liabilities due to unsatisfied (or partially unsatisfied) performance obligations.

	2023	2022
	\$	\$
Risk Reduction Resilience NSW	379,146	-
Creating canopies in Greater Sydney	14,428	426,195
	393,574	426,195

6. Cash and cash equivalents

a. Accounting policy

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

b. Cash and cash equivalent details

	2023	2022
	\$	\$
Cash at bank	1,971,969	1,549,071

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c. Restricted funds

	2023	2022
	\$	\$
Landcare BCT Partnership Project for Biodiversity Conservation	-	423,734
Bushfire Community Recovery & Resilience Fund	-	78,171
Local Streams, Local Communities	-	57,906
Landcare led Bushfire Recovery for Species & Landscapes Program	-	110,286
Landcare Conference Legacy	-	20,200
NSW Landcare Program	475,279	364,472
Total restricted funds	475,279	1,054,769

7. Trade and other receivables

Current	2023	2022
	\$	\$
Trade receivables		
Accounts Receivable	19,752	13,999
Other current assets	-	11,970
GST	5,202	14,892
Total Trade receivables	24,954	40,861
Non-current	2023	2022
	\$	\$
Bond receivable - 56 Church Ave Sydney	18,631	18,631

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8. Contract balances

The Company has recognised the following contract assets and liabilities from contracts with customers:

Current contract liabilities	2023	2022
	\$	\$
Other contract liabilities	393,574	426,195

Contract liabilities

Contract liabilities represent payment received from customers in excess of services rendered by the company.

9. Other assets

Current	2023	2022
	\$	\$
Other assets		
Prepayments	73,649	418,141

10. Leases

a. Accounting policy

At inception of a contract, the Company assesses whether a lease exists.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

i. Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

The Company has chosen not to apply AASB 16 to leases of intangible assets.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

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The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

b. Company as a lessee

The company has lease contracts as at 30 June 2023 for use of premises to conduct its operations until March 2025 (Sydney office).

Information relating to the leases in place and associated balances and transactions are provided below.

I. Right-of-use assets

2023	Buildings \$	Total \$
Opening balance	195,683	195,683
Depreciation charge	(79,818)	(79,818)
Adjustments to right-of-use assets	23,243	23,243
Closing balance	139,108	139,108

II. Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

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Undiscounted Lease Liabilities	2023 \$	2022 \$
< 1 year	79,883	81,177
1 - 5 years	41,094	127,442
Total undiscounted lease liabilities	120,977	208,619
Lease liabilities included in the statement of financial position	120,977	206,463
Lease liability movements for the year		Buildings
As at 1 July		206,463
Adjustments to lease liability		(6,067)
Interest Paid		1,250
Payments		(80,669)
Lease liability as at 30 June 2022		120,977

11. Trade and other payables

Current	2023 \$	2022 \$
Trade payables	808,379	261,585
Superannuation payable	33,536	-
Accrued expenses	2,020	-
	843,935	261,585

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

12. Other liabilities

Current	2023 \$	2022 \$
Other liabilities		
Auspiced funds in trust	135,728	41,612
Prepaid membership fees	-	57,782
Prepaid Group Insurance Premiums	-	89,548
Total Other liabilities	135,728	188,942