

The background of the cover is a photograph of a river scene. In the foreground, two large, thick tree trunks with reddish-brown bark stand on the right bank, their forms reflected in the calm water. The river flows towards a distant, hazy shoreline with more trees. A soft, golden light from a low sun on the left creates a lens flare and a warm glow across the water's surface.

2020-21

ANNUAL REPORT

Supported by the Australian & Victorian Governments

ACKNOWLEDGMENTS

SUNRAYSLIA RURAL COUNSELLING SERVICE INC. WISHES TO ACKNOWLEDGE AND SINCERELY THANK THE FOLLOWING ORGANISATIONS FOR THEIR FUNDING, CONTRIBUTIONS AND SUPPORT DURING THE 2020-21 FINANCIAL YEAR

GRANTS

Department of Agriculture

Australian Government funding for Murray-Darling Basin Economic Development Program
- Small Business Project

Department of Agriculture, Water and the Environment

Australian Government funding for the
- Rural Financial Counselling Service Program
- Small Business Financial Counselling Program

Department of Jobs, Precincts and Regions

Victorian Government funding for the
- Rural Financial Counselling Service Program
- Small Business Financial Counselling Program
- Employment of a Senior Rural Financial Counsellor Co-ordinator

DONATIONS & CASH CONTRIBUTIONS

Complete Commodity Management

- Cash donation

Dried Fruits Australia

Mildura Rural City Council

Murray Valley Winegrowers' Inc

NSW Department of Planning, Industry and Environment

Swan Hill Rural City Council

TASCO Petroleum

Wentworth Shire Council

- Cash contributions to SunRISE Mapping & Research

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ABOUT US

Sunraysia Rural Counselling Service Inc. (SunRCS) was formed in 1984 in response to the downturn in the dried vine fruit industry. In the 37 years since, there have been name changes funding changes and amalgamation of services - but the primary objective of assisting primary producers and rural businesses has never changed.

After successfully tendering for the Rural Financial Counselling Service across an expanded region in 2016, SunRCS transitioned to establish Rural Financial Counselling Service Victoria - North West.

WHERE WE WORK



OUR VISION

TO BE THE LEADER IN THE PROVISION OF INFORMATION AND SUPPORT SERVICES TO BUILD RESILIENT RURAL COMMUNITIES.

OUR PHILOSOPHY

TO PROVIDE A COMMUNITY DRIVEN RESPONSIVE SERVICE WHICH IS INNOVATIVE, FLEXIBLE AND ACCESSIBLE TO THOSE IN NEED.

OUR MOTTO

TRUST, INTEGRITY AND EMPATHY.

OUR STRUCTURE AND SERVICES



RURAL FINANCIAL COUNSELLING

Rural Financial Counselling Service Victoria – North West is a free financial counselling service for farmers.

Our rural financial counsellors work with you to provide information and develop options, while you make the decisions.

Rural financial counsellors meet on farm or elsewhere if required.

The service is free and independent and confidentiality is assured.

SMALL BUSINESS FINANCIAL COUNSELLING

Small Business Financial Counselling provides assistance to rural small businesses.

Our counsellors can assist businesses experiencing or anticipating financial difficulty, providing analysis and the tools for business operators to make informed financial and business decisions.

The service is free and confidential.



RURAL BUSINESS CONNECTIONS

Rural Business Connections began in October 2019 and assists clients in the Murray River regions with starting and growing their small business or community initiative.

Rural Business Connections provides access to free and low-cost training and support through:

- Small group workshops
- Online digital solutions
- Appointments with a Small Business Financial Consultant

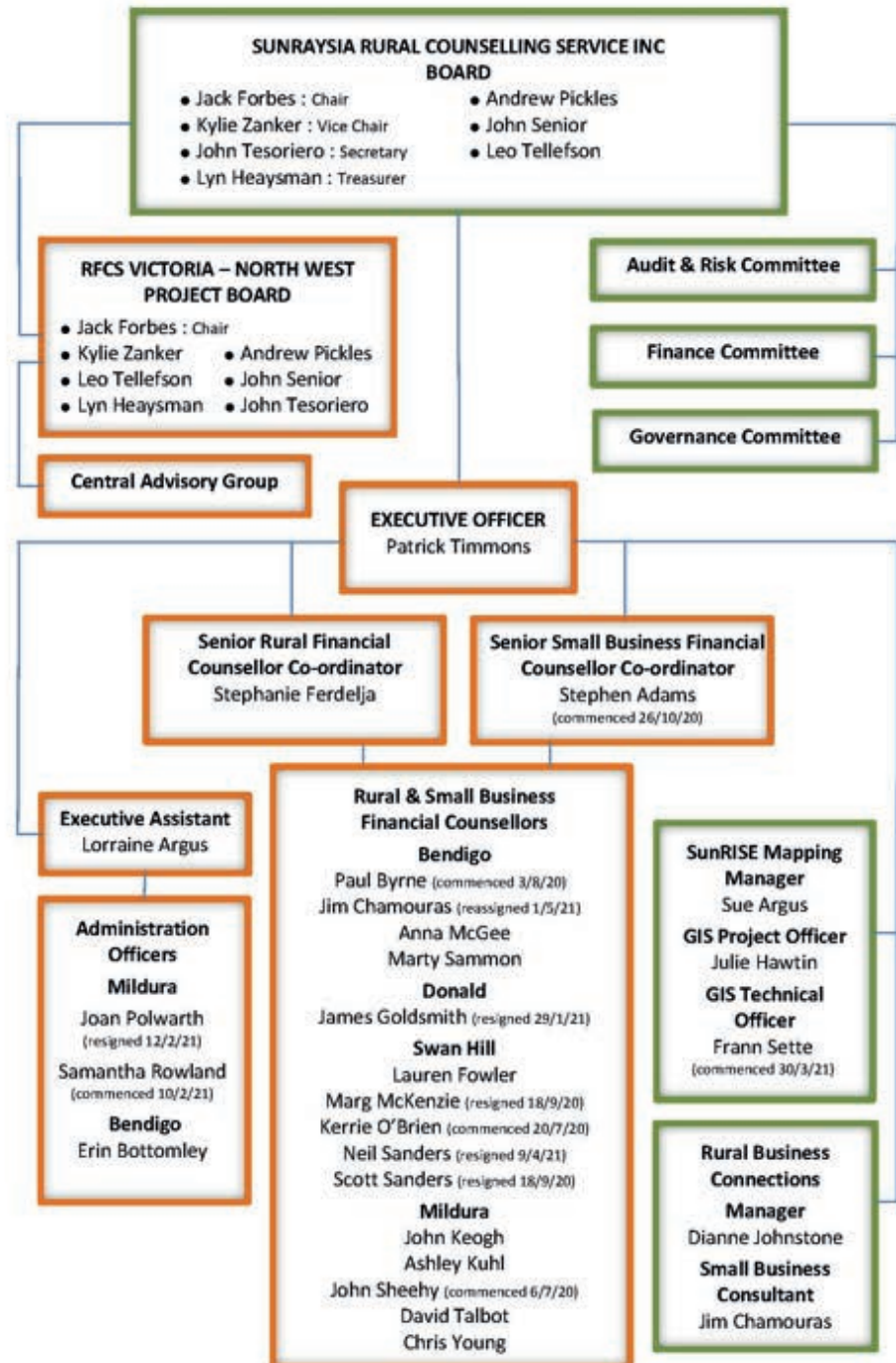
This project is funded by the Australian Government under the Murray-Darling Basin Economic Development Program.



SUNRISE MAPPING & RESEARCH

Since 1995, SunRISE Mapping has been developing its mapping and spatial information expertise to provide powerful communication, management and planning tools to individual property owners, industry organisations, businesses and government agencies.

ORGANISATIONAL CHART



OUR BOARD

THE DIVERSE ACTIVITIES AND PROGRAMS OF SUNRCS ARE OVERSEEN BY A SEVEN MEMBER BOARD OF AGRICULTURAL, RURAL INDUSTRY AND COMMUNITY REPRESENTATIVES.



JACK FORBES

CHAIR
MILDURA

Board member since 1985,
Chairperson since 2008.

A family background in farming motivates Jack's commitment to rural and farm issues.

He is a member of the Australian Institute of Company Directors, and has completed financial planning and accounting course segments.

Jack has skills in succession planning, retirement planning and aged care issues, superannuation, government assistance programs and rural financial issues through experience as a former Financial Information Service Officer with Centrelink Mildura.

Jack is now semi-retired but continuing to pursue his interest in seeing rural Australia grow and flourish.



KYLIE ZANKER

VICE CHAIR
WARRACKNABEAL

Board member since 2013.

Kylie is a member of Australian Institute of Company Directors. She is a Yarriambiack Shire Councillor (elected 2008) and has previously served two terms as Mayor.

Kylie is an Early Childhood Years teacher and has a special interest in children, youth and community-minded projects.

In addition to working as a teacher, Early Years program co-ordinator and university lecturer in social sciences, Kylie has also worked part-time with the Victorian Responsible Gambling Foundation's Gamblers Help Program, in the health sector and in project management with the Department of Education & Training and the Department of Justice & Regulation.



JOHN TESORIERO

SECRETARY
BENDIGO

Board member since 2019.

John is an experienced Board Director and Executive Manager in the water and agricultural sectors in Victoria and New South Wales.

Previous Board roles include Chair of Lower Murray Water and the Murray Valley Citrus Board while recent executive roles include General Manager, Water Supply with Southern Rural Water and Chief Executive of the Murray Valley Citrus Board. His key skills are strategy formulation, corporate governance, communication and negotiation. He holds a Graduate Diploma of Business Administration and is a Graduate of the Australian Institute of Company Directors.

John's community work has comprised membership of the Mildura Base Hospital Community Advisory Board and he is currently doing voluntary work with Vision Australia; he is also a member of the Maiden Gully/Marong Lions Club.



LYN HEAYSMAN

TREASURER
MILDURA

Board member since 1998.

Lyn's interest in agriculture stems from 21 years of owning a family vineyard in Sunraysia.

She has served on the Australian Dried Fruits Association Board and as a Director of the Victorian Dried Fruits Board, a position she held for ten years. Lyn is currently Chair of Princes Court Homes Board. Lyn has been self-employed in her financial planning business for over twenty-three years.

Lyn's qualifications include a Masters in Applied Finance and Certificate in Business Accounting and she has undertaken the Australian Institute of Company Directors course.



JOHN SENIOR

BOARD MEMBER
MALLEE

Board member since 2008.

John has extensive experience in the management of small and medium enterprises, has been a member of boards of management in the business services and aged care sector for over ten years and is currently consulting in the Government funded health and community sector.

John has a continuing interest in quality assurance and a commitment to the delivery of services in support of health and wellbeing in remote and rural areas of Australia. His qualifications include a Certificate in Management Services and a postgraduate Diploma in Management Studies.

John is a Member of the Australian Institute of Company Directors.



ANDREW PICKLES

BOARD MEMBER
BENDIGO

Board member since 2016.

Andrew's rural background stems from the family farm in North Central Victoria. He is a partner in law firm Robertson Hyetts Solicitors at Bendigo, specialising in commercial work and a former president of the Bendigo Law Association. Andrew was a committee member of a former Rural Financial Counselling service for over ten years and has had extensive community involvements, including Bendigo Apex, Bendigo-Sandhurst Rotary, Golden Square JFC Committee, Bendigo Art Gallery and Foundation, Bendigo Chamber Choir and Castlemaine Art Museum.

As well as Arts and Law degrees, and a Master of Laws, Andrew holds mediation accreditation from Bond University and has been appointed an arbiter under the Local Government Act. He has a particular interest in corporate governance in non-profit organisations.



LEO TELLEFSON

BOARD MEMBER
DONALD

Board member since 2012.

Leo is involved in farming through his family farm and also owns the local butcher shop in his home town of Donald.

He is currently Chair of the Johnson-Goodwin Homes Aged Care Facility in Donald, Chair of the Donald Community Centre/Neighbourhood House, board member of Buloke Community Enterprises (Bendigo Community Bank franchise) and committee member of Donald Racing Club.

Leo has previously served as a Councillor on Buloke Shire Council including two terms as Mayor and on the Donald Hospital/East Wimmera Health Service Board.

BOARD MEETING REPORT

| Member | SunRCS Board | | RFCSV NW Project Board | | Governance Committee | | Finance Committee | | Audit & Risk Committee | |
|---|--------------------|----------|------------------------|----------|----------------------|----------|--------------------|----------|------------------------|----------|
| | Eligible to Attend | Attended | Eligible to Attend | Attended | Eligible to Attend | Attended | Eligible to Attend | Attended | Eligible to Attend | Attended |
| Jack Forbes (Board Chair) | 4 | 4 | 3 | 3 | | | 7 | 7 | | |
| Lyn Heaysman (Finance Chair) | 4 | 3 | 3 | 2 | | | 7 | 7 | | |
| John Senior | 4 | 4 | 3 | 3 | | | | | 1 | 1 |
| Andrew Pickles | 4 | 4 | 3 | 3 | 1 | 1 | | | 1 | 0 |
| Leo Tellefson | 4 | 4 | 3 | 3 | 1 | 1 | | | | |
| John Tesoriero | 4 | 4 | 3 | 3 | 1 | 1 | | | | |
| Kylie Zanker (Governance Chair) | 4 | 3 | 3 | 2 | 1 | 1 | 7 | 3 | | |
| Co-opted Members: | | | | | | | | | | |
| Ian Ballantyne (Audit & Risk Committee Chair) | | | | | | | | | 1 | 1 |
| Linda Nalder | | | | | | | | | 1 | 1 |
| Graeme Matotek | | | | | | | 7 | 6 | | |

Meeting Dates:

| SunRCS Board | RFCSV NW Project Board | Governance Committee* | Finance Committee | Audit & Risk Committee* |
|--------------|------------------------|-----------------------|-------------------|-------------------------|
| 3/9/20 | 3/9/20 | 14/10/20 | 20/7/20 | 21/10/20 |
| 12/11/20 | 12/11/20 | | 17/8/20 | |
| 18/3/21 | 18/3/21 | | 5/10/20 | |
| 10/6/21 | | | 26/10/20 | |
| | | | 25/1/21 | |
| | | | 10/3/21 | |
| | | | 31/5/21 | |

*Governance and Audit & Risk Committee meetings scheduled for May 2021 were suspended due to significant funding changes and addressed as agenda items at the Board meeting on 10th June 2021.



CHAIR'S REPORT

As most will be aware, unfortunately Sunraysia Rural Counselling Service (SunRCS) was unsuccessful in the latest Rural Financial Counselling Service tender: RFCS Wimmera South West successfully tendered for both the south-west and the north-west areas and as of July 1 2021 commenced providing rural financial counselling services as RFCS Victoria West.

While we were very disappointed that our tender was unsuccessful, since then we have been fully supportive of the transition process to the new service provider, ensuring a seamless handover and minimal disruptions to clients across the north-west. Several of our Rural Financial Counsellors transferred across to the new service and are well placed to continue providing excellent support services to farming in the north-west.

Moving forward, SunRCS is able to draw a line in the sand after 37 years of providing Rural Financial Counselling Services and consider new activities and alternatives that fit comfortably with the organisation's purpose: "... building resilient rural communities". It is also the case that the Department of Agriculture, Water and Environment (DAWE) ends its role with the RFCS program as responsibility for the program has now moved across to the National Recovery and Resilience Agency.

On reflection, we are proud that SunRCS has been able to successfully deliver timely and professional services supporting local farmers and farming communities across north-west Victoria since 1984 and will continue to work to ensure the availability and delivery of RFCS programs in our communities.

We were also funded through RFCS to deliver the Drought Communities Small Business Support Pilot program (DCSBSP), an activity delivered through our Small Business Financial Counselling program and included additional State government funding. Over the last twelve months, while our services have been able to maintain service delivery, it has been difficult to maintain our RFCS and Small Business service mobility with the chronic impacts of the COVID-19 lockdowns and border closures.

Key work areas for Rural Financial Counsellors (RFCs) and Small Business Financial Counsellors continued to be cash flow budgeting, viability assessment, assisting clients who are seeking refinance, maintaining contact and follow up with RIC Loans, looking into AgriStarter Loans and assisting access to COVID-19 support funding opportunities.

Our service structure has always included a Senior Rural Financial Counsellor Co-ordinator role which provided regular supervision and support to RFCs, ensuring service quality, timeliness of response to enquiries and monitoring client caseloads. Operating out of three office locations across the region we were able to shift resources to meet priority areas of demand and to promote availability of the service in a targeted way.

The major risk for the RFCS program in the future will be its ability under the new RFCS Victoria West structure to meet the expectations of farming communities across the north-west. It is the case that, due to annual funding in the new tender being reduced significantly to 'core' funding, our RFCS program had already downsized in RFC staffing significantly over the first six months of 2021: the new service provider has only been able to establish their service in the north-west on that basic funding.

While it is the case that SunRCS has been very supportive of transitioning the service system to RFCS Victoria West under the new arrangements, our involvement in the RFCS program is winding up after many years of providing a strongly supported and highly valued program. Key staff have been employed into the new service but it will be a challenge for the new service to establish their credentials over the next three-year tender period: we wish the RFCS program success in the interests of our farmers and farming communities.

"OUR OBJECTIVE IS TO CONTINUE TO PROVIDE SUPPORT AND SERVICES TO OUR LOCAL RURAL COMMUNITIES".

"I WISH TO THANK BOTH THE STATE AND COMMONWEALTH GOVERNMENTS FOR THEIR SUPPORT OVER THE LAST THIRTY-SEVEN YEARS, THEIR ASSISTANCE HAS ALLOWED SUNRCS TO HELP THOUSANDS OF FARMERS TO IMPROVE THEIR LIVES".

SunRCS is now looking to the future. We have two Murray Darling Basin Economic Development Program contracts and several mapping service contracts to fulfil. The Board will develop a new strategic plan and look for opportunities to tender for contracts that fit our vision of "building resilient rural communities". Our objective is to continue to provide support and services to our local rural communities.

I wish to thank both the State and Commonwealth Governments for their support over the last thirty-seven years, their assistance has allowed SunRCS to help thousands of farmers to improve their lives.

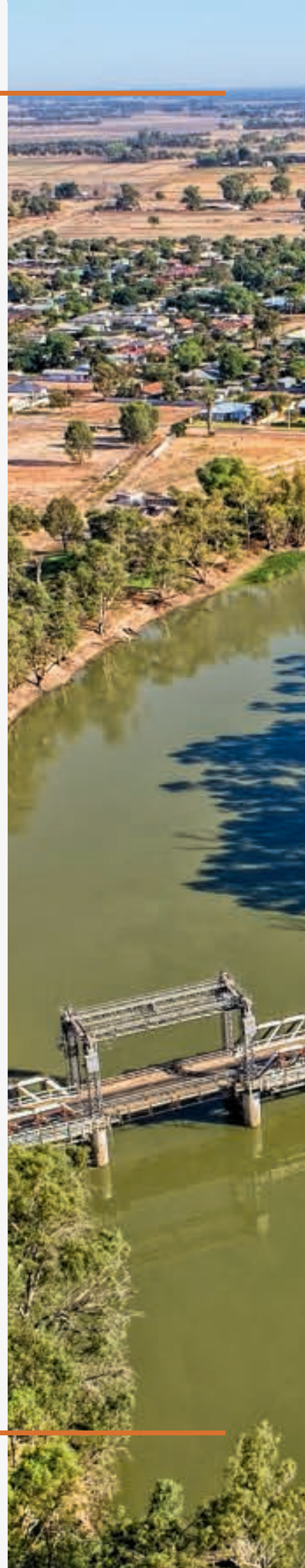
Over the years we have employed many talented staff - I wish to thank all staff for their dedication and untiring work with local farmers and rural communities. I want to especially thank our Executive Officer, Patrick Timmons, and our long serving Executive Assistant, Lorraine Argus, for their support, excellent work and dedication to our Service.

Finally, I wish to thank our Board members for their insight, dedication and community leadership.

Sunraysia Rural Counselling Service is proud of the difference it has made in the north-west through the range and quality of services provided over the last thirty-seven years.



JACK FORBES
CHAIR



EXECUTIVE OFFICER'S REPORT

The latest 12 months have proved both difficult and remarkable in terms of being able to deliver services to regional and remote communities across the north-west. Our staff have found new ways to deliver their programs under the COVID-19 lockdowns and restrictions, while embracing the constantly changing COVIDSafe protocols to keep everybody safe throughout the year, and we thank you all for your vigilance.

Our admin team, capably managed by Lorraine Argus, was the frontline to our service delivery in many respects and ensured COVIDSafe practices were followed – staff being constantly updated when necessary and signage and instructions visible to clients and staff alike. A special thank you to Joan Polwarth who retired in the New Year after 13 years with SunRCS, and moving on to grandparent duties. Samantha Rowland capably filled our short-term vacancy to the end of June 2021. We would also acknowledge Erin Bottomley's almost 5 years of valuable admin support at the Bendigo office, and is now continuing that role with RFCS Victoria West. Thank you Joan, Sam and Erin.

SunRISE Mapping program, which is now in its fourth year with SunRCS, has continued to provide quality research and specifically requested reports alongside mapping services and printing throughout the year and has become an integral part of our SunRCS services.

We have two Murray Darling Basin Economic Development Programs (MDBEDP) operating in tandem currently. The past 12 months have necessarily limited the ability to deliver face-to-face workshops and one-to-one financial consultant support in specific rural communities through those programs. Having a strong online presence, utilising a variety of social media tools and creating alternative connectivity options providing a modified service using webinars in zone options emerged as the best option and compromise under the circumstances of the last 12 months.

Our Rural Financial Counselling Service Program is transferred across to the new and larger RFCS Victoria West program as of 1 July 2021.

While we were disappointed not continuing with our RFCS Victoria – North West program, we are pleased that the new program has seen value in recruiting our RFCS staff across to the new program and we can be sure that service provision standards and continuity of program will be there for farming communities in the north-west.

Thank you to all of our rural financial counselling staff for persisting with service delivery throughout the year, and we congratulate you on finding different ways of working with clients to get things done! Our Senior Rural Financial Counsellor Co-ordinator, Stephanie Ferdelja, managed extremely well to keep the team equipped to deliver the program despite the interruptions of lockdowns and restrictions. Stephanie has been in the RFCS co-ordinating role for 7 years, and has now moved across to RFCS Victoria West in a similar role. Thank you for your leadership role and support, and your invaluable contribution to the RFCS program. We wish you all the best in your new co-ordinating role with RFCS Victoria West.

Thank you to the Board members and subcommittee members and to our Chair, Jack Forbes, who have worked through the difficult issues of 2020-2021 as they emerged. The lowlight has been the ending of our RFCS program -the highlight has been a successful transition of the organisation from an Incorporated Association to a Company Limited by Guarantee - strengthening the organisation's commitment to good governance, and taking the opportunity to re-brand and more accurately reflect the organisation's commitment purpose as: **Rural Business & Community Limited.**

"THE LATEST 12 MONTHS HAVE PROVED BOTH DIFFICULT AND REMARKABLE IN TERMS OF BEING ABLE TO DELIVER SERVICES TO REGIONAL AND REMOTE COMMUNITIES ACROSS THE NORTH-WEST".

Appreciating that we have all experienced the frustrations and barriers to the usual face-to-face networking and maintenance of existing relationships while operating under the COVID-19 'cloud', communication opportunities such as Zoom and Microsoft Teams have been extremely valuable over the past 12 months and now become part of our everyday communications toolkit.

For all SunRCS staff, the escalated use of technology to maintain networks and links with stakeholders has proven valuable in keeping connected: a novelty in the first few months, now indispensable and commonplace, however tiring the use of Zoom meetings may be! Staff continued to work from home on-and-off throughout this financial year, and regular staff meetings became 'Zoom meetings'. We were able to manufacture a couple of opportunities for all SunRCS staff to meet face-to-face, and these meetings were considered very valuable for keeping staff connections and team values intact.

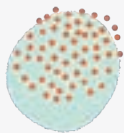
We look forward to continuing to deliver our current programs and new programs - mostly in person while adding value by using online communication technologies as we move into the new COVID-19 'normal' environment.



PATRICK TIMMONS
EXECUTIVE OFFICER



SunRCS staff at Swan Hill Staff Meeting in June, 2021. Photo: Gingerhouse Photography



RURAL BUSINESS CONNECTIONS

PROGRAM MANAGER'S REPORT

Rural Business Connections (RBC) started in late 2019 with funding from the Australian Government through the Murray-Darling Basin Economic Development Program, and is a cost-free business support program across Merbein, Red Cliffs, Rochester, Colignan and Wakool.

In line with our organisation's aim to build resilient rural communities, we designed the program to be barrier free, enabling people living within our service areas that operate a small business, or are thinking about starting one, to take part.

We also wanted the program to be community inclusive so we made RBC open to include volunteers and members from local community organisations. RBC has since been taken up by various community groups and volunteers from health and mental health services, women's services, agricultural and community groups, who have used the opportunity to gain new skills.

In late 2020 SunRCS received an additional grant through Round Two of the Murray-Darling Basin Economic Development Program to expand the program to seven new areas; Mildura, Swan Hill, Cullulleraine, Cohuna, Kerang, Pyramid Hill and Boort.

COVID-19 has impacted many of our face-to-face services, with many being postponed or rescheduled around lockdowns to when we could run events in line with Government COVID-19 safe regulations.

It has also meant that our online training which was once quite innovative, became quite the norm, and as Zoom "fatigue" kicked in our clients told us they missed the face-to-face connection they gained from our in-person workshops and appointments with our Small Business Financial Consultant.

It also should be noted that many of our clients are sole operators, with an increased workload from having to constantly change their business operating ways, the start-stop nature of continuing lockdowns, and the extra workload for many with children schooling from home and childcare closures. Many commented they would like to come to workshops but could no longer do so as they would be too busy for a significant amount of time after each lockdown, trying to catch up on their work and client appointments.

"I HAVE BEEN A CLIENT FOR THE PAST 12 MONTHS. I WAS IN EXTREME FINANCIAL DIFFICULTIES. THEIR HELP HAS BEEN INCREDIBLY HELPFUL TO MY BUSINESS".



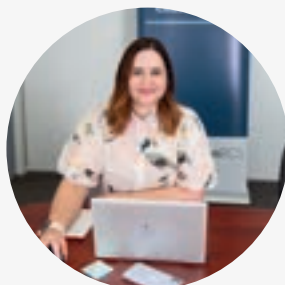
“I APPLIED FOR THAT FUNDING YOU SUGGESTED AND RECEIVED IT. I AM VERY GRATEFUL YOU HELPED ME WITH THIS. BUSINESS HAS TAKEN A TURN AND WITH KIDS AT HOME IT'S A VERY STRESSFUL TIME FOR ME. THANK YOU AGAIN FOR YOUR HELP. IT MEANS SO MUCH TO ME!”

To make face-to-face workshops possible and make the most of opportunities to run workshops when we could, we changed the format for some of our 3-hour workshops, to instead run longer workshops. Our two-day social media masterclass was very popular, with sold out events in three of our regions, and very high client feedback through our official surveys.

With the pandemic continuing and the ongoing lockdowns, the connection part of our program became even more important. Feedback from clients was that they appreciated the support of our program, connecting people with others by giving people the opportunity to get together both online and in person, talk with others and get support managing the impacts of COVID-19 on their business.

Feedback from attendees at all our workshops has been very highly rated, and attendees often mention that the connections our program provides to services, our small business financial consultant and local networks have been particularly important during this time.

To keep up to date with upcoming Rural Business Connections workshops, training and news, follow us on Instagram and Facebook @ruralbusinessconnections



DIANNE JOHNSTONE
PROGRAM MANAGER

SMALL BUSINESS FINANCIAL CONSULTANT'S REPORT

COVID-19 and its associated multiple lockdowns and restrictions have had a significant effect on our 1:1 Small Business Financial Consultant work with our clients.

As with other aspects of the Rural Business Connections program, we have had to adapt to new and different ways to continue to engage and work with our small business clients. Much of our face-to-face work has been put on hold at various stages, and many of our 1:1 client interactions have been conducted by Zoom, Microsoft teams, phone and email.

Additionally we continue to provide information to our client base and other small business owners through regular newsletters, website information and Facebook posts. This includes information about topical items of interest, such as COVID-19 grant information and lockdown payments available and current taxation issues, record keeping tips and handy business information.

With the COVID-19 restrictions finally easing and vaccination rates reaching required levels, we look forward to being able to get the “rubber on the road” and getting out to see our small businesses in person on a much more frequent basis again.



JIM CHAMOURAS
SMALL BUSINESS FINANCIAL
CONSULTANT

SHARON MCINNES, ONE OF OUR TWO DAY SOCIAL MEDIA MASTERCLASS PARTICIPANTS AT WAKOOL WROTE THE FOLLOWING STORY FOR THE BRIDGE NEWSPAPER, HERE IS A SMALL EXCERPT:

Rural Business Connections hosted a Social Media Masterclass at the Wakool Sportsman's Club where the founder and editor of OAK Magazine, Kimberley Furness, empowered workshop participants to manage their social media business sites. The immersive program was funded by the Australian Government under the Murray-Darling Basin Economic Development Program. The Social Media Masterclass was created for people who already use social media to promote their business, but the training took participants to a whole new level of business awareness.

In the past, 'Getting Up to Speed with Social' could have meant hanging over the fence to chat with a neighbour or catching up with friends and family but in today's business world this statement has a different meaning. On a personal level, people connect with each other to form social circles and these groups overlap to create vast community connections. The ideology of using Instagram and Facebook to create connectivity for small businesses, farms and community groups works in a similar way to traditional social connections but social media has a far greater reach creating an ever-expanding network of interrelated social webs and endless business opportunities.

"AMAZING CONTENT, DELIVERED WONDERFULLY, CATERED TO ALL PARTICIPANTS LEVELS OF KNOWLEDGE. SO FORTUNATE TO HAVE THIS WORKSHOP IN OUR AREA".

"I CAME AWAY FEELING EMPOWERED THAT I CAN GO AHEAD AND NAIL MY SOCIAL MEDIA".



Wakool workshop participants L-R, Deni Ute Muster, 12 Good Eggs, Learner & Beyond Driver Education, Outback Harvest, Tulla Natives. Photo: Gingerhouse Photography

CASE STUDY

EXAMPLE OF WORKING WITH OUR SMALL BUSINESS FINANCIAL CONSULTANT

Jenny* was referred to our service by a Government entity. She was running a craft business from her home studio, and wanted assistance to build her financial literacy and get a better understanding of her business.

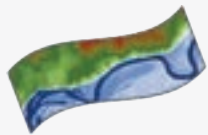
She was not registered for GST, but anticipated she may need to register for GST if her business grows. She had several ideas for expansion and diversification, but wanted a better understanding of financials to evaluate any options before implementing them. She was also interested in grants available.

Jenny had kept records of business income, and had kept receipts, but wanted to improve her record keeping. She did not want the cost or complexity of commercial software at this point of her business. To assist with a better understanding of financials, and to evaluate her options, including tracking turnover for possible GST registration, we set up a new record keeping spreadsheet and cash flow projection tool. Since commencing with our service Jenny has gained a much better understanding of her business financials, has improved her record keeping practices, has expanded into a commercial premises, and is in a more informed position to make decisions about business growth.

We have also assisted Jenny to access funding she was eligible to receive due to COVID-19 lockdowns and restrictions. Jenny is very happy with the progress she has made since working with the Rural Business Connections program.

*Not her real name





SUNRISE MAPPING & RESEARCH

The 2020-21 year was a challenging and busy one for the SunRISE team as we worked within COVID restrictions and prepared to acquire the latest update of high-resolution aerial imagery.

SunRISE is well set up to deliver its products and services in a digital format, a contactless process ideal in times of COVID. COVID restrictions still impacted on our services though. Engagement with regional irrigators and their service providers was down by 30% on the previous year.

Fortunately, there was no COVID impact on the interest in our services coming from regional partners including industry bodies, government agencies, land and water management agencies and private enterprise.

The SunRISE team in 2020-21

The SunRISE team of Sue Argus and Julie Hawtin welcomed Frann Sette to the team in March 2021. Frann came out of retirement to assist with mapping across a larger geographic area than previously undertaken.

2021 aerial photography

SunRISE has acquired high-resolution aerial imagery every three years since 1997. The imagery is key to maintaining SunRISE products and services which are based on scale accurate mapping of irrigated horticulture and customised maps for land management and property planning. The most recent aerial photography was flown early 2021 and was acquired through DELWP Victoria's Coordinated Imagery Program. SunRISE partnered with the Murray-Darling Basin Authority and regional agencies including Lower Murray Water, Wentworth Shire Council, Western Murray Irrigation, Mallee CMA and NSW DPIE to acquire over 2.6 million hectares of aerial imagery.



CONSULTANCY SERVICES INCLUDED

Murray-Darling Basin Authority: The MDBA contracted SunRISE to provide mapping and a report on irrigated areas in 2021 across the Lower Murray-Darling region of Victoria, New South Wales and South Australia. The region to be mapped extends from the Barmah Choke to the Murray Mouth in South Australia. A final report will be submitted mid-2022 and the contract will potentially be extended for mapping of irrigated areas through to 2027.

Mallee Catchment Management Authority: The Mallee CMA contracted SunRISE to produce a 2020 Addendum to the 2018 Mallee Horticulture Crop Report. The Addendum Report was completed in February 2021, providing information on the main changes in irrigated horticulture from 2018 to 2020.

Dried Fruits Australia: DFA commissioned SunRISE to produce a report on changes and trends in dried-grape plantings from 1997 to 2020. The report was completed in January 2021 with detailed information on planting varieties, rootstocks, irrigation methods and age profiles.

Swan Hill Rural City Council: A report on dryland cropping and value of production across the Swan Hill LGA was completed in May 2021. It complements an earlier report prepared by SunRISE on irrigated horticulture in the Swan Hill LGA from 1997 to 2018. The report included an estimate of the value of irrigated horticulture in 2018.

Millewa Carwarp Landcare Group: SunRISE prepared mapping of rabbit control works coordinated by the Landcare Group from 2014 to 2019. The mapping was based on GPS coordinates of rabbit warrens that were treated along road reserves. In conjunction with the road-side works, adjoining landholders assessed and treated rabbit warrens across farmland in the vicinity. The mapping provided an overview of the extent of the rabbit control works and the area, over 210,000 hectares, that benefitted from the program.

Mallee Regional Innovation Centre: MRIC was commissioned by the Mallee CMA to review drivers of growth in high-value irrigated horticulture in the Mallee. SunRISE was a part of the research team for the project, providing mapping and data analysis.

THE CHANGING FACE OF HORTICULTURE IN THE LOWER MURRAY-DARLING REGION

With delivery of the 2021 aerial photography, the SunRISE team commenced mapping irrigated areas from the imagery. The mapping extends across the three Lower Murray-Darling states; Victoria, New South Wales and South Australia.

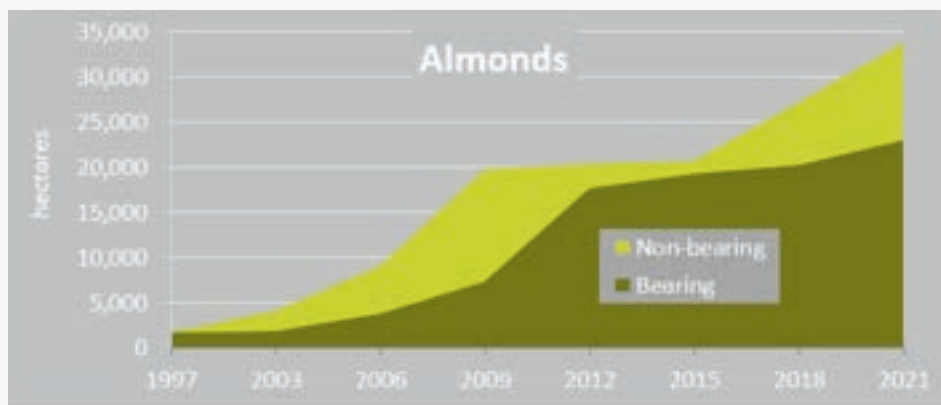
It was clear from the mapping that significant changes in horticulture had again occurred in the previous three years. Information on changes and the status of irrigated horticulture will be the subject of reports commissioned by the Mallee CMA and the MDBA. These reports will potentially be available in 2022.

Snapshot of change from mid-2018 to mid-2021 for Vic. and NSW Lower Murray-Darling:

- A net increase of 6,500 ha in almond plantings, a 24% increase since 2018.
- A net increase of 1,710 ha in table grape plantings, a 16% increase since 2018.
- A net increase of 1,015 ha in citrus plantings, a 14% increase since 2018.
- A net decrease of 440 ha in dried grape plantings, a 12% decrease since 2018.
- A net increase of 265 ha in wine grape plantings, a 2% increase since 2018.

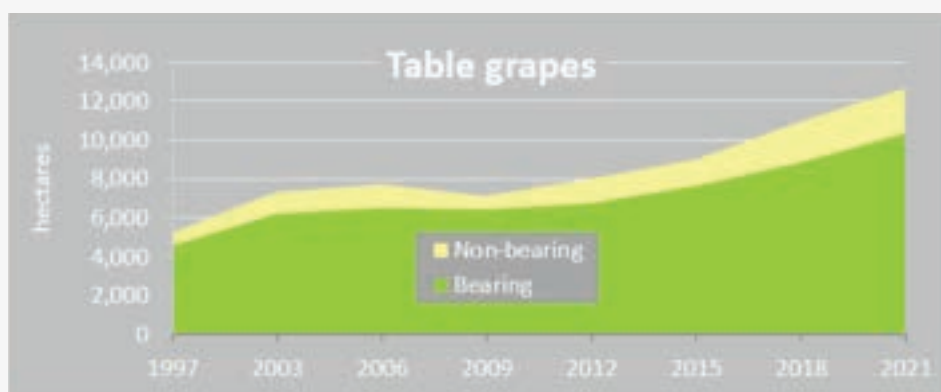
**Change in bearing and non-bearing areas from 1997 to 2021 for Vic. and NSW
Lower Murray-Darling**

ALMONDS



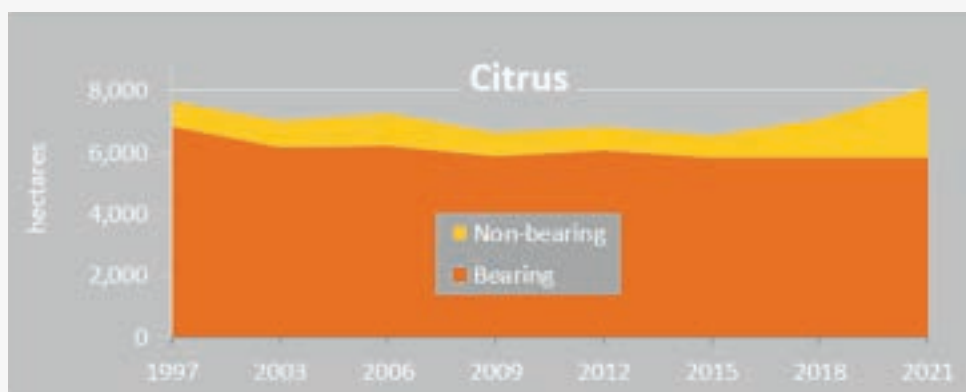
Non-bearing areas (plantings less than five years old) made up 32% of almond plantings in 2021, up from 26% in 2018.

TABLE GRAPES



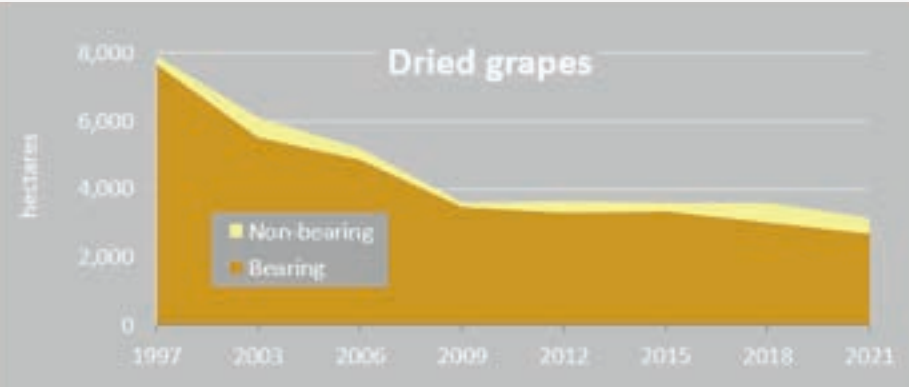
Non-bearing areas (plantings less than three years old) made up 19% of table grape plantings in 2018 and in 2021.

CITRUS



Non-bearing areas (plantings less than five years old) made up 28% of citrus plantings in 2021, up from 18% in 2018. The area of citrus in 2021 was the highest recorded since 1997.

DRIED GRAPES



Non-bearing areas (plantings less than three years old) made up 16% of dried grape plantings in 2018 and 14% of plantings in 2021. These were the highest proportions of young plantings recorded since 1997.

WINE GRAPES



Non-bearing areas (plantings less than three years old) made up 8% of wine grape plantings in 2021, up from 5% in 2018.



SUE ARGUS
SunRISE MAPPING
PROGRAM MANAGER



RURAL FINANCIAL COUNSELLING SERVICE & SMALL BUSINESS FINANCIAL COUNSELLING

THE RFCS AND SBFC PROGRAMS WERE BOTH FUNDED AT VARYING LEVELS BY THE COMMONWEALTH DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT (DAWE) AND THE STATE GOVERNMENT DEPARTMENT OF JOBS, PRECINCTS AND REGIONS (DJPR)

RURAL FINANCIAL COUNSELLING

The seasons over the last year have been a lot better for many after an 'okay' season the previous year, and continuing low interest rates have assisted debt management to a large extent. Industry risks throughout the year saw increased pricing for farms due to high demand for properties and low interest rates being available. The increase in farm property values provided additional opportunities for older farmers considering retirement plans with property sales funding that transition to retirement: succession planning was also becoming a more realistic option for many.

Earlier in the financial year there was concern for the increasing dry across the region, particularly in the Mallee and Millewa areas. However, the months of May and June brought welcome rains which have continued. It is important to recognise that not all farming success is underpinned solely by rain events and the hazards of achieving a successful crop and being able to bank that success still have a fair way to go.

Horticulture has been hit hard with labour shortages, increased costs of labour, loss of markets internationally and limited mobility interstate, and falling commodity prices – all impacts of the national and international constraints that come with the COVID-19 pandemic.

The dairy industry has been steadily picking up: milk prices have risen a little bit and the industry seems less crisis driven. The water market prices have been less consequential over the last 12 months but will certainly have an impact into the future when dry periods re-emerge and the costs of production escalate.

Farm Debt Mediation (FDM) has not been a significant feature of the last 12 months. Banks have been incredibly patient and accommodating through these difficult times, but we can expect the business case issues to bubble to the surface over the next 12 months.

There has been steady demand throughout the year for Farm Household Allowance (FHA) with several clients able to withdraw from the payment due to improvements in their financial situation, while others are first-time applicants. Several clients became ineligible for Age Pension due to increased asset values and have benefited from the changes to the assets test for FHA.

Regional Investment Corporation (RIC) applications experienced different levels of delay throughout the year, however, more recently they have been able to move through applications with a timelier response for the applicants.

There was tremendous demand for the Farm Safety Rebate Scheme and more recently the Digital Agriculture Investment Scheme, both becoming fully subscribed within weeks.

Many of the usual events such as field days and other significant networking events have been delayed, postponed, or cancelled in response to COVID-19 lockdowns and government limitations.

SMALL BUSINESS FINANCIAL COUNSELLING

SunRCS has provided a limited Small Business Financial Counselling Program since 2016 with State government funding through DJPR.

In February 2020 a new project -Drought Communities Small Business Support Pilot (DCSBSP) - commenced through DAWE, initially focused on supporting small businesses in rural communities struggling to recover from previous or current drought impacts, and then expanded to support any small businesses in our region who were struggling through the COVID-19 impacts.

The Commonwealth and State funding streams were put together to enhance coverage and ensure service availability across the north-west. All program activities operated under the requirements of the DCSBSP, and data was shared with State government.

While it was difficult to establish the new program across rural and regional communities through the periods of lockdown and restriction of movements, we were able to recruit appropriately skilled people to short term contracts and began targeted promotion of the service.

There was not a huge demand in the early days - possibly because small business was waiting to see how things 'panned out' - demand steadily increased throughout the financial year. Initially, Small Business Financial Counsellors operated substantially from home and intermittently were able to catch up with clients for face-to-face meetings.

SUMMARY

In December 2020 when the RFCS tender was announced it was apparent that the funding identified for RFCS Vic NW service area was only going to be adequate to fund half of the current RFCS service. The DCSBSP funding commitment was also only up to June 2021. From January 2021 the team recognised that positions would be lost and, unfortunately but understandably, it also meant that some staff would move on sooner: we could not guarantee secure employment into the future. It was a difficult scenario to work through, and the measured approach taken by everyone was appreciated. Remaining staff were able to transfer across to the new RFCS Vic West program and take their current clients across with them. It was important to ensure continuity of service for the clients, but it also it guaranteed the same quality of service would be available to our communities of interest in the north west through the new service.

PATRICK TIMMONS
EXECUTIVE OFFICER

WHERE DO OUR CLIENTS COME FROM?

OVERWHELMINGLY, CLIENTS HEARD ABOUT US FROM A PREVIOUS CLIENT, A CURRENT CLIENT, OR THEY WERE A PREVIOUS CLIENT THEMSEVLES.

OTHER SIGNIFICANT REFERRERS:



Accountant / Bank



Government agency



From community

WORKING ON OUR CLIENTS' STRENGTHS

CLIENT COMMENTS

"BANKS HAVE BEEN DIFFICULT TO DEAL WITH BUT MY RURAL FINANCIAL COUNSELLOR WAS VERY GOOD".

"WE HAVE GREAT CONFIDENCE IN OUR RURAL FINANCIAL COUNSELLOR AND FIND THEM REASSURING".

"WITHOUT PEOPLE LIKE OUR RURAL FINANCIAL COUNSELLOR WE WOULD BE UNABLE TO COMPLETE ALL OF THE FORMS FOR VARIOUS SERVICES".

"IT WOULD BE REMISS OF US IF WE DIDN'T MENTION THAT OUR RURAL FINANCIAL COUSELLOR HAS BEEN BEYOND HELPFUL: PROFESSIONAL, CARING, AND THIS HAS BEEN THE WORST DROUGHT THAT WE HAVE FACED IN 50 YEARS OF FARMING. CANNOT SPEAK MORE HIGHLY OF HIM".

"HELPFUL, KIND ATTENTION TO DETAIL - GIVES US HOPE AND CONFIDENCE TO FARM INTO THE FUTURE".

"I AM STILL HOPELESS WITH CASH FLOWS AND BUDGETS, BUT WITH YOUR HELP I THINK I AM BEGINNING TO UNDERSTAND THEM MORE".

"I FOUND WORKING WITH MY RURAL FINANCIAL COUNSELLOR FANTASTIC. HIS PERSONAL MANNER TOWARDS ME WAS EXCEPTIONAL AND SO HELPFUL. WITHOUT RFCS HELP I FEEL WE COULD NEVER HAVE ACHIEVED ANY POSITIVE RESULTS. THANK YOU!".



CASE STUDY

AN EXAMPLE OF WORKING WITH OUR SMALL BUSINESS FINANCIAL COUNSELLOR

"Barry" operates a hardware store in a small rural town that has been impacted several times in recent years by drought. The business is almost totally reliant on the surrounding farming community to stay profitable, however, recent droughts have put added pressure on its viability.

After being referred to the DCSBSP service, Barry met with the SBFC and together they undertook a review of the financial situation of the business. It was evident that Barry had quite a successful business during strong farming times, however, adverse weather conditions such as droughts were always going to create financial distress.

During further questioning regarding goals Barry revealed a desire to undertake other commercial ventures, many of which could be completed at the existing premises. The building has ample surplus shedding and infrastructure and equipment that was greatly underutilised. On another angle, Barry was keen to provide an opportunity for his son, 'Teddy', to enter the business. In addition, employing 2 local skilled tradespeople would be perfect for the commercial ventures that he was considering.

Whilst Barry had these ideas in his head, he didn't know how to start the process to formalise his plans, nor had he considered what professional support and advice he would need to get things happening. Further questioning and exploration of his new priorities continued, including joint discussions with existing and prospective employees to be clear on what their expectations would be.

At the same time, Barry was determined to keep his existing business separate from the new venture and it was agreed that he would benefit from professional advice regarding business structure, legal requirements such as WorkSafe and superannuation, along with contract terms (employment, pay rates, etc). Funding through the Professional Services Fund assisted this core activity.

The steps Barry is now taking will provide the opportunity to "drought-proof" the existing business by ensuring that alternate income streams will continue when farmers and the local community are again struggling with drought.

THIS PLANNING HAS ALSO PROVIDED A SUCCESSION PLAN OPPORTUNITY FOR THE CLIENT'S SON TEDDY TO JOIN THE BUSINESS, AND AT THE SAME TIME PROVIDED MORE CLARITY ABOUT BARRY'S FUTURE RETIREMENT PLANS.

CASE STUDY

AN EXAMPLE OF WORKING WITH OUR RURAL FINANCIAL COUNSELLOR

A farming family with a small cropping and livestock operation in the Southern Mallee contacted RFCS initially to seek assistance with a Centrelink matter. Changes in asset test rulings for the Age Pension resulted in 'mum' (who owns the land) losing her payment and having to rely solely on the farm, which was being worked by both her and her son.

The RFC identified the most immediate issue - cash flow -and proceeded to assist them accessing Farm Household Allowance (FHA). A closer financial and holistic analysis uncovered an opportunity for some discussion around retirement for 'mum' and succession for that farming to the son. The RFC identified the recent increased to their asset values which prompted the family's initial approach, recognizing that this issue would also have implications for 'mum' accessing Aged Care Accommodation in the future: most problematic.

A new action plan was developed with the family prioritising referrals of the family to seek financial and legal advice, aiming at formally transferring farm assets from 'mum' to the son. Both 'mum' and her son understood and accepted that this had been their longer-term goal, but didn't know how to get started on it. The costs for succession consultations was met under the 'activity supplement' component of the Farm Improvement Agreement within the FHA: the subsequent referrals proved highly beneficial.

Completion of the farm transfer has now provided the son with a new and refreshed perspective on farming and prompted him to make improved decisions on farm. This includes changes to the usual rotation for cropping and livestock production and a review of future farm financial requirements including possibly applying for a Regional Investment Corporation (RIC) concessional loan.

The 'mother and son' family unit now have clarity and peace of mind, having secured 'mum's' financial future and aged care needs, while allowing the son to farm on with sights set on realistic and attainable financial goals.

"THE TIMING WAS RIGHT".



Sunraysia Rural Counselling Service Incorporated
ABN 70 870 481 312

General Purpose Financial Report
For the year ended 30 June 2021

Sunraysia Rural Counselling Service Incorporated
ABN 70 870 481 312

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For the Year Ended 30 June 2021

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Sunraysia Rural Counselling Service Incorporated
ABN 70 870 481 312

Board Report
For the Year Ended 30 June 2021

The Board members present their report, together with the financial statements, on the Sunraysia Rural Counselling Service Incorporated for the year ended 30 June 2021.

Board members

The following persons were Board members of the Sunraysia Rural Counselling Service Incorporated during the whole of the financial year and up to the date of this report, unless otherwise stated:

| | |
|----------------|---|
| Jack Forbes | Chairperson |
| Kylie Zanker | Vice Chairperson |
| John Tesoriero | Secretary (elected Secretary on 12/11/2020) |
| Lyn Heaysman | Treasurer |
| Andrew Pickles | Member |
| John Senior | Member |
| Leo Tellefson | Member (retired as Secretary on 12/11/2020) |

Objectives

Assist in alleviating poverty and hardship within farming and small business families by adopting social and systemic change through a community development philosophy. Maintain high service delivery standards to eligible clients. Develop policy direction for rural financial counselling services within the designated region and to make recommendations to all levels of Government on issues affecting the regional farming economy. Assist farmers, small business operators and their families under stress or in difficulty and to offer or provide:

- (a) Free, independent and confidential financial counselling services;
- (b) Information and referral to the various services available to farmers, small farming business operators and their families; and
- (c) Provide support and encouragement to farmers, small farming business operators and their families.

Conduct research and to publish reports and periodicals, books or other information which the Board may consider appropriate. Consult widely with community and interest groups across the region, including, specifically, those reference groups that provide representative members on the Board.

Strategy for achieving the objectives

Sunraysia Rural Counselling Service Incorporated believes its objectives can be met by implementing following four Strategies:

Strategy 1: PEOPLE

Provide benevolent support and assistance to farmers, rural towns and communities under stress, through diverse and well trained staff who are part of a reliable service.

Strategy 2: PROMOTIONS

Ensure that our rural communities and stakeholders know and understand what we do.

Sunraysia Rural Counselling Service Incorporated
ABN 70 870 481 312

Board Report (continued)
For the Year Ended 30 June 2021

Strategy for achieving the objectives (continued)

Strategy 3: FUNDING

Pursue sustainable funding streams to support building of resilient rural communities.

Strategy 4: GOVERNANCE

Build strong, resilient and adaptable governance, focused on "next" practice.

Principal activities

The principal activities of the Association during the financial year were to provide rural financial counselling services customers within the North West region of Victoria.

Operating results

The operating surplus for the financial year 2021 amounted to \$196,087 (2020: \$270,178).

Signed on behalf of the Board.



Jack Forbes
Chairperson

Dated: 10 November 2021
At Mildura, Victoria.

Sunraysia Rural Counselling Service Incorporated
ABN 70 870 481 312

Statement of Profit or Loss & Other Comprehensive Income
For the Year Ended 30 June 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|----------------|----------------|
| Revenue | 2 | 3,142,151 | 2,484,152 |
| Employee expenses | | (1,801,807) | (1,472,793) |
| Administration expenses | | (90,718) | (49,452) |
| Lease liability interest | | (2,565) | (9,154.00) |
| Program expenses | | (122,479) | (30,852.00) |
| Vehicle expenses | | (140,703) | (137,033) |
| Board expenses | | (17,901) | (11,237) |
| Staff training & recruitment expenses | | (54,235) | (71,672) |
| Special project expenses | | - | (25,770) |
| Depreciation expenses | | (204,430) | (173,305) |
| Other expenses | 3 | (511,226) | (232,706) |
| Surplus for the year | | 196,087 | 270,178 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 196,087 | 270,178 |

The accompanying notes form part of this financial report

Sunraysia Rural Counselling Service Incorporated
ABN 70 870 481 312

Statement of Financial Position
As at 30 June 2021

| | Note | 2021 \$ | 2020 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 1,919,474 | 1,626,794 |
| Trade and other receivables | 6 | 15,353 | 26,265 |
| TOTAL CURRENT ASSETS | | 1,934,827 | 1,653,059 |
| NON-CURRENT ASSETS | | | |
| Property, plant & equipment | 7 | 137,509 | 418,084 |
| Right of use asset | 8 | 96,752 | 174,308 |
| TOTAL NON-CURRENT ASSETS | | 234,261 | 592,392 |
| TOTAL ASSETS | | 2,169,088 | 2,245,451 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 112,217 | 67,282 |
| Unearned income | 10 | 558,418 | 715,297 |
| Short term provisions | 11 | 110,870 | 205,355 |
| Lease liability | 12 | 46,666 | 91,544 |
| TOTAL CURRENT LIABILITIES | | 828,171 | 1,079,478 |
| NON-CURRENT LIABILITIES | | | |
| Long term provisions | 11 | 21,154 | 7,496 |
| Lease liability | 12 | 50,086 | 84,887 |
| TOTAL NON-CURRENT LIABILITIES | | 71,240 | 92,383 |
| TOTAL LIABILITIES | | 899,411 | 1,171,861 |
| NET ASSETS | | 1,269,677 | 1,073,590 |
| EQUITY | | | |
| Reserves | 13 | 160,957 | 160,957 |
| Retained Surplus | | 1,108,720 | 912,633 |
| TOTAL EQUITY | | 1,269,677 | 1,073,590 |

The accompanying notes form part of this financial report

Sunraysia Rural Counselling Service Incorporated
ABN 70 870 481 312

Statement of Changes in Equity
For the Year Ended 30 June 2021

| | Retained Surplus \$ | General Reserves \$ | Total \$ |
|--------------------------------|------------------------------------|------------------------------------|---------------------|
| 2020 | | | |
| Balance at 1 July 2019 | 642,455 | 160,957 | 803,412 |
| Surplus for the year | 270,178 | - | 270,178 |
| Balance at 30 June 2020 | <u>912,633</u> | <u>160,957</u> | <u>1,073,590</u> |
| 2021 | | | |
| Balance at 1 July 2020 | 912,633 | 160,957 | 1,073,590 |
| Surplus for the year | 196,087 | - | 196,087 |
| Balance at 30 June 2021 | <u>1,108,720</u> | <u>160,957</u> | <u>1,269,677</u> |

The accompanying notes form part of this financial report

Sunraysia Rural Counselling Service Incorporated
ABN 70 870 481 312

Statement of Cash Flows
For the Year Ended 30 June 2021

| | Note | 2021 \$ | 2020 \$ |
|---|-------|------------------|------------------|
| Cash Flows from Operating Activities | | | |
| Operating grant receipts and donations | | 2,650,902 | 3,089,147 |
| Payments to suppliers and employees | | (2,264,924) | (2,260,954) |
| Interest received | | 3,349 | 6,282 |
| Interest paid | | (5,129) | (9,154) |
| Net cash provided by operating activities | 16(b) | 384,198 | 825,321 |
| Cash Flows from Investing Activities | | | |
| Purchase of property, plant and equipment | | (253,692) | (232,290) |
| Sale of property, plant and equipment | | 241,853 | 64,190 |
| Net cash (used in) investing activities | | (11,839) | (168,100) |
| Cash Flows from Financing Activities | | | |
| Repayment of Borrowings | | (79,679) | (85,479) |
| Net cash (used in) financing activities | | (79,679) | (85,479) |
| Net increase in cash held | | 292,680 | 571,742 |
| Cash and cash equivalents at the beginning of the year | | 1,626,794 | 1,055,052 |
| Cash and cash equivalents at the end of the year | 16(a) | 1,919,474 | 1,626,794 |

The accompanying notes form part of this financial report

Notes to the Financial Statements

For the Year Ended 30 June 2021

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New or amended Accounting Standards and Interpretations adopted

The Sunraysia Rural Counselling Service Incorporated has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations not yet mandatory have not been early adopted.

(b) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Reform Act 2012, as appropriate for not-for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association'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 2.

(c) 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 Association expects to receive in exchange for those goods or services.

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; and
5. Recognise revenue as and when control of the performance obligations is transferred.

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.

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

Notes to the Financial Statements

For the Year Ended 30 June 2021

(c) Revenue from contracts with customers (continued)

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 Association presents the contract as a contract asset, unless the Association's rights to that amount of consideration are unconditional, in which case the Association 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 Association presents the contract as a contract liability.

Contract cost assets

The Association recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

Other income

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

(d) Income tax

As the Sunraysia Rural Counselling Service Incorporated 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.

(e) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Sunraysia Rural Counselling Service Incorporated's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade and other receivables

The Association makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Association uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

(h) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Notes to the Financial Statements

For the Year Ended 30 June 2021

(h) Property, plant and equipment (continued)

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| Class of Fixed Assets | Depreciation Rate |
|-----------------------|-------------------|
| Plant and equipment | 30 - 40% |
| Motor vehicles | 22.50% |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to Sunraysia Rural Counselling Service Incorporated. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(i) 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Sunraysia Rural Counselling Service Incorporated prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period they are incurred.

(l) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date; assuming the transaction will take place either: in the principal market; or in the absence of that market, in the most advantageous market.

Notes to the Financial Statements

For the Year Ended 30 June 2021

(l) Fair value measurement (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(n) Adoption of new and revised accounting standards

The Association has adopted all mandatory standards which became effective for the first time at 30 June 2021. This has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

(o) Change in Accounting Policy

Current year

There have been no changes in the Association's accounting policies in the current financial year.

Prior year

The following changes in accounting policies by the Association were applied in the prior year comparatives.

Revenue from Contracts with Customers - Adoption of AASB 15

The Association has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not for Profit Entities for the first time in the current year with a date of initial application of 1 July 2019.

The Association has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

Leases - Adoption of AASB 16

The Association has adopted AASB 16 Leases using the modified retrospective (cumulative catch up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and Accounting Interpretations.

The impact of adopting AASB 16 on the financial statements gave rise to three Right-of-use Assets for office leases situated in Swan Hill, Mildura and Bendigo. The future lease commitments for these leases has also been recognised under lease liabilities and split between current and non-current classification as required.

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short term leases and leases of low value assets).

Notes to the Financial Statements

For the Year Ended 30 June 2021

(o) Change in Accounting Policy (continued)

The Association has used the following expedients on transition to AASB 16:

- lease liabilities have been discounted using the entity's incremental borrowing rate at 1 July 2019;
- right of use assets at 1 July 2019 have been measured at an amount equal to the lease liability;
- a single discount rate was applied to all leases with similar characteristics;
- used hindsight when determining the lease term if the contract contains options to extend.

(p) Financial Instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

All financial assets are measured at the transaction price and all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

(p) Financial Instruments (continued)

For the purpose of subsequent measurement financial assets are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- equity instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets recognised in profit or loss are presented within finance costs, finance income or other financial items, except impairment of trade receivables (presented within other expenses).

Classifications are determined by both:

- The entity's business model for managing the financial asset; and
- The contractual cash flow characteristics of the financial assets.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

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.

Fair value through other comprehensive income

The Association does not hold any equity instruments or debt investments, therefore no financial instruments are measured using the fair value through other comprehensive income method.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

The Association does not hold any financial assets recognised under this criteria.

Notes to the Financial Statements

For the Year Ended 30 June 2021

(p) Financial Instruments (continued)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for applicable financial assets measured at amortised cost. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk. The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received, applied using a probability weighted approach.

Donated financial assets

Financial assets donated to the Association are recognised at value at the date the Association obtains control over the assets.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

(q) 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, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various 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 a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the incorporated association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Notes to the Financial Statements

For the Year Ended 30 June 2021

(q) Critical accounting judgements, estimates and assumptions

Employee benefits provision

As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are 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.

(r) Leases

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

A 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 Association's incremental borrowing rate is used.

(s) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(t) Financial Risk Management

The Association is exposed to a variety of financial risks through its use of financial instruments. The Association's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The principal categories of financial instruments used by the Association is Trade receivables, Cash at bank and Trade and other payables.

The most significant financial risks to which the Association is exposed to are liquidity and interest rate risk which are described below in detail:

(i) Liquidity risk

Liquidity risk arises from the Association's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Association will encounter difficulty in meeting its financial obligations as they fall due.

The Association's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Association monitors and controls this risk through the following mechanisms:

- Preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets; and
- Only investing surplus cash with major financial institutions.

At the reporting date, the Association expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw upon any of the financing facilities.

(ii) Interest rate risk

The Association is only exposed to interest rate risk on cash assets as there are no borrowings held which have interest rate risk. The Association's policy is to minimise interest rate cash flow risk. Cash and cash equivalents are invested on varying fixed terms to secure fixed rates to minimise interest rate risk.

Exposure to interest rate risk on cash and cash equivalents is \$1,919,474 (2020: \$1,626,794) where \$1,817,262 (2020: \$1,541,268) is interest bearing at a weighted average effective interest rate of 0.24% (2020: 0.74%).

Sunraysia Rural Counselling Service Incorporated
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Notes to the Financial Statements
For the Year Ended 30 June 2021

| Note 2: Revenue | Note | 2021 | 2020 |
|---|-------------|-------------------------|-------------------------|
| | | \$ | \$ |
| Operating activities | | | |
| - Government grants | 18 | 2,644,810 | 2,068,505 |
| - Mapping and other services | | 268,152 | 281,830 |
| - Vehicle program lease | | 59,750 | 59,250 |
| | | <u>2,972,712</u> | <u>2,409,585</u> |
| Non-operating activities | | | |
| - Donations and sponsorships | | 50,000 | 25,769 |
| - Interest received | | 3,349 | 6,282 |
| - Other income | | 102,144 | 50,000 |
| - Loss on disposal of plant and equipment | | 13,946 | (7,484) |
| | | <u>169,439</u> | <u>74,567</u> |
| TOTAL REVENUE | | <u>3,142,151</u> | <u>2,484,152</u> |
| Note 3: Other expenses | | | |
| Insurance | | 12,040 | 11,597 |
| Internet and telephone | | 19,288 | 18,899 |
| IT expenses | | 81,865 | 79,656 |
| Mapping | | 32,124 | 5,371 |
| Promotion | | 72,324 | 94,520 |
| Miscellaneous expenses | | 21,044 | 22,663 |
| | | <u>288,685</u> | <u>232,706</u> |
| Note 4: Surplus for the year | | | |
| Surplus has been determined after deducting the following expenses: | | | |
| Depreciation | | 116,828 | 85,703 |
| Loss on disposal of fixed assets | | 272,541 | 7,804 |
| Motor vehicle lease expenses | | 41,305 | 48,000 |
| Office lease expenses | | 46,425 | 15,149 |
| Superannuation contributions | | 150,008 | 118,722 |
| Note 5: Cash and Cash Equivalents | | | |
| Cash at bank | | 1,752,342 | 1,462,134 |
| Short term deposits | | 167,132 | 164,660 |
| | | <u>1,919,474</u> | <u>1,626,794</u> |
| Note 6: Trade and Other Receivables | | | |
| Accounts receivable | | 3,041 | 4,609 |
| Office lease security deposit | | 7,615 | 7,557 |
| Prepaid expenses | | 4,697 | 14,099 |
| | | <u>15,353</u> | <u>26,265</u> |

Notes to the Financial Statements
For the Year Ended 30 June 2021

| | 2021 | 2020 |
|--|-----------------------|-----------------------|
| | \$ | \$ |
| Note 7: Property, Plant & Equipment | | |
| Plant & equipment (at cost) | 26,353 | 43,729 |
| Less accumulated depreciation | (1,978) | (13,199) |
| | <u>24,375</u> | <u>30,530</u> |
| Motor vehicles (at cost) | 146,911 | 502,321 |
| Less accumulated depreciation | (33,777) | (114,767) |
| | <u>113,134</u> | <u>387,554</u> |
| Total Property Plant & Equipment | <u>137,509</u> | <u>418,084</u> |

(a) Movements in carrying amounts

| | Plant & Equipment | Motor Vehicles | TOTAL |
|--|----------------------|-----------------------|-----------------------|
| | \$ | \$ | \$ |
| 2021 | | | |
| Balance at the beginning of the year 1 July 2020 | 41,852 | 376,232 | 418,084 |
| Additions | 54,904 | 198,788 | 253,692 |
| Disposals | (45,847) | (371,592) | (417,439) |
| Depreciation expense | (15,213) | (101,615) | (116,828) |
| Balance at the end of the year 30 June 2021 | <u>35,696</u> | <u>101,813</u> | <u>137,509</u> |

| | Plant & Equipment | Motor Vehicles | TOTAL |
|--|----------------------|-----------------------|-----------------------|
| | \$ | \$ | \$ |
| 2020 | | | |
| Balance at the beginning of the year 1 July 2019 | 37,373 | 305,798 | 343,171 |
| Additions | 22,890 | 264,247 | 287,137 |
| Disposals | (8,305) | (117,273) | (125,578) |
| Depreciation expense | (10,106) | (76,540) | (86,646) |
| Balance at the end of the year 30 June 2020 | <u>41,852</u> | <u>376,232</u> | <u>418,084</u> |

Note 8: Right-of-use assets

| | Office Buildings | TOTAL |
|-----------------------------------|----------------------|----------------------|
| | \$ | \$ |
| Balance at beginning of the year | 174,308 | 174,308 |
| Depreciation charge | (87,602) | (87,602) |
| Asset disposal for leases ceased | (86,706) | (86,706) |
| Asset addition this year | 96,752 | 96,752 |
| Balance at end of the year | <u>96,752</u> | <u>96,752</u> |

The Bendigo and Swan Hill office leases have been ceased effective at the end of the 2021 financial year.

Sunraysia Rural Counselling Service Incorporated
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Notes to the Financial Statements
For the Year Ended 30 June 2021

| | 2021 | 2020 |
|---|----------------|----------------|
| | \$ | \$ |
| Note 9: Trade and other Payables | | |
| Accounts payable and accrued expenses | 59,093 | 58,657 |
| NAB Visa card | 6,983 | 12,441 |
| PAYG tax payable | 45,427 | 15,937 |
| Net GST payable | 714 | (19,753) |
| | 112,217 | 67,282 |
| Note 10: Unearned Income | | |
| Federal government funds | 354,266 | 659,810 |
| Victorian government funds | 204,152 | 55,487 |
| | 558,418 | 715,297 |
| Note 11: Provisions | | |
| CURRENT | | |
| Employee entitlements - Annual Leave | 60,329 | 74,786 |
| Employee entitlements - Long Service Leave | 50,541 | 130,569 |
| | 110,870 | 205,355 |
| NON-CURRENT | | |
| Employee entitlements - Long Service Leave | 21,154 | 7,496 |
| | 21,154 | 7,496 |
| Aggregate provision for employee entitlements | 132,024 | 212,851 |

Note 12: Lease Liabilities

The maturity analysis of lease liabilities pertaining to right-of use assets, based on contractual undiscounted cash flows, is shown in the table below:

| 2021 | Less than 1 year | 1 - 5 years | Lease liabilities included in the Statement of Financial Position |
|-------------------|------------------|-------------|---|
| Lease Liabilities | 46,665 | 50,086 | 96,752 |

Note 13: Reserves

The general reserve records surplus funds "earmarked" and set aside for the wind up of the service should this occur at any point in future.

Note 14: Contingent Liabilities

The Association is conscious that Funding Contracts may expire and not be renewed after 2021. If this is the case, certain funds still on hand, and fixed assets, must be returned to the Commonwealth Government. It is not possible to quantify the amount at this stage. The Association has, however, created a Reserve and put aside an amount of funds to cover wind up costs should this eventuate. At 30 June 2021, the Board are unaware of any other liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report.

Sunraysia Rural Counselling Service Incorporated
ABN 70 870 481 312

Notes to the Financial Statements
For the Year Ended 30 June 2021

Note 15: Financial risk management

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable. Totals for each category of financial instruments, measured in accordance with AASB 9, are summarised below:

| | 2021 | 2020 |
|--|------------------|------------------|
| Financial assets | \$ | \$ |
| Cash and cash equivalents | 1,919,474 | 1,626,794 |
| Trade receivables | 3,041 | 4,609 |
| | <u>1,922,515</u> | <u>1,631,403</u> |
| Financial liabilities | | |
| Financial liabilities at amortised cost: | | |
| - Trade and other payables | <u>112,217</u> | <u>67,282</u> |

Note 16: Cash Flow Information

a) Reconciliation of cash

Cash as at the end of the year as shown in the statement of cash flows is reconciled to related items in the statement of financial position, as follows:

| | | |
|---------------------------|------------------|------------------|
| Cash and cash equivalents | <u>1,919,474</u> | <u>1,626,794</u> |
|---------------------------|------------------|------------------|

b) Reconciliation of cash from operating activities to accounting result

| | | |
|---|-----------------------|-----------------------|
| Surplus for the year | 196,087 | 270,178 |
| <i>Add/(Less) non cash items in operating result:</i> | | |
| Depreciation | 204,430 | 173,305 |
| Loss on disposal of plant and equipment | 262,935 | 7,484 |
| <i>Changes in assets/liabilities:</i> | | |
| (Increase)/decrease in receivables | 10,912 | 401,107 |
| Increase/(decrease) in trade and other payables | 44,934 | (7,527) |
| Increase/(decrease) in unearned income | (156,879) | (45,849) |
| Increase/(decrease) in provisions | (178,221) | 26,623 |
| Cashflow from operations | <u>384,198</u> | <u>825,322</u> |

Note 17: Segment Reporting

The Association operates predominantly in one business and geographical segment being in the community assistance sector by providing an independent, confident and cost free service for eligible farmers, fishing enterprises, forest growers, and small farm related business in the North West region of Victoria.

Note 18: Grant funding providers

| | | |
|---|-------------------------|-------------------------|
| - Department of Agriculture, Water and the Environment (DAWE) | 1,436,293 | 1,338,338 |
| - Department of Jobs, Precincts and Regions (DJPR) | 748,785 | 644,862 |
| - Australian Government Department of Agriculture | 459,732 | 85,305 |
| Total Government Grants | <u>2,644,810</u> | <u>2,068,505</u> |

Sunraysia Rural Counselling Service Incorporated
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Notes to the Financial Statements
For the Year Ended 30 June 2021

Note 19: Capital Commitments

At 30 June 2021, the Board is unaware of any capital commitments, which have not already been recorded elsewhere in this financial report.

Note 20: Events Subsequent to Reporting Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while its impact on the Association up to 30 June 2021 is negligible financially, it is not practicable to estimate the potential impact, whether positive or negative, after the reporting date due to ongoing uncertainty. The situation is continually developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. No other matter or circumstance has arisen since 30 June 2021 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.

The Association is undertaking a transition from an Incorporated Association to a Company Limited by Guarantee. At the date of signing in November 2021, the process is nearing completion and is expected to occur around the AGM date. The new business name will be Rural Business & Community Limited. The entity intends to retain its ABN and tax concessions.

There are no other post balance date events of significance to disclose.

Note 21: Related Party Disclosure

(a) Board members

The following persons were Board members of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

| | | | |
|---------------|------------------|--------------------------------|-----------|
| Jack Forbes | Chairperson | Andrew Pickles | Member |
| Kylie Zanker | Vice Chairperson | John Senior | Member |
| Lyn Heaysman | Treasurer | John Tesoriero | Secretary |
| Leo Tellefson | Member | (elected Secretary 12/11/2020) | |

(retired as Secretary on 12/11/2020)

(b) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including board members of the entity who are considered key management personnel.

The total remuneration paid to key management personnel for the financial year is \$153,062 inclusive of superannuation and board fees of \$20,805 are paid plus \$3,468 allowances.

(c) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no transactions with related parties during the financial year.

Note 22: Entity Information

The registered office of the Association is:
Sunraysia Rural Counselling Service Incorporated
139 Lime Avenue, Mildura VIC 3500.

Sunraysia Rural Counselling Service Incorporated
ABN 70 870 481 312

Statement by the Members of the Board

The Board Members declare that:

1 the attached financial statements and notes comply with the Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Associations Incorporation Reform Act 2012:

- a) comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board as described in note 1 to the financial statements; and
- b) give a true and fair view of the Association's financial position as at 30 June 2021 and of its performance for the year ended on that date.

2 In the opinion of the Board, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Members of the Board.


Mr Jack Forbes
Mrs Lynette Heaysman

Dated: 10 November 2021
At Mildura, Victoria.

INDEPENDENT AUDITOR'S REPORT to the Members of Sunraysia Rural Counselling Service Incorporated

Report on the Audit of the Financial Report

Auditor's Opinion

We have audited the financial report of Sunraysia Rural Counselling Service Incorporated, which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement and report by members of the board.

In our opinion, the accompanying financial report of the Association has been prepared in accordance with Association's *Incorporation Reforms Act (2012)*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the board of management for the Financial Report

The board is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The board are responsible for overseeing the entity's financial reporting process.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organization and/or its subsidiaries. Liability limited by a scheme approved under Professional Standards Legislation.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Murray Darling, an affiliate of Findex (Aust) Pty Ltd.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.
- Obtains 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 entity's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- Concludes on the appropriateness of the board's 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 entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluates 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.

We communicate with the board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

CROWE MURRAY DARLING



Josh Parker
Senior Manager

10 November 2021
Mildura, Victoria



**Sunraysia Rural
Counselling Service Inc.**

**Reg No. A0005536N
ABN 70 870 481 312**

**Phone 1300 769 489
Email admin@sunrcs.com.au**

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