



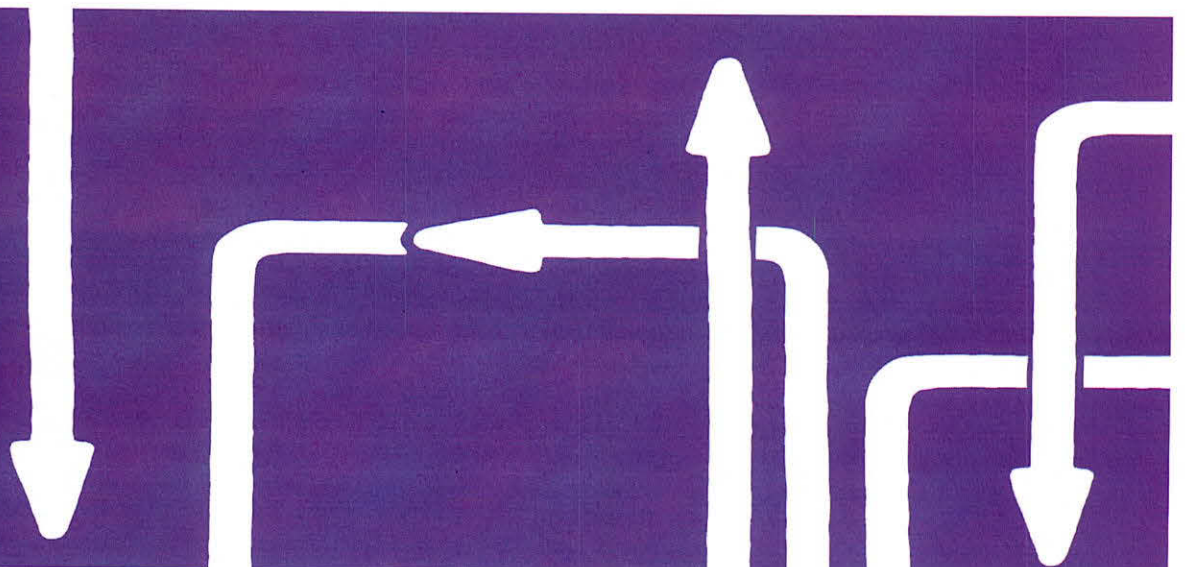
**FIGHTING HUNGER  
IN AUSTRALIA**

# Foodbank Australia Limited

ABN 58 073 579 254

## **Financial Report**

for the Financial Year Ended 30 June 2016



# Foodbank Australia Limited

## Annual Financial Report

### for the Financial Year Ended 30 June 2016

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# Foodbank Australia Limited

## Directors' Report

The directors of Foodbank Australia Limited submit herewith the annual financial report for the financial year ended 30 June 2016. In order to comply with the provisions of the Australian Charities and Not-for-profits Commission Act 2012, the directors report as follows:

The names and particulars of the directors of the company during or since the end of the financial year are:

Name	Roles/Directorships	Special Responsibilities
<b>Enzo Allara AM</b> FCPA, FAIM Over 40 years' business experience in Australia and internationally in fast moving consumer goods with the last twenty five years in general management and Company Boards	Independent Non-Executive Director Foodbank Australia Limited (till Nov 2015) Chair Australian Pork Ltd Chair Swickers Kingaroy Pty Ltd Chair SunPork Fresh Foods Pty Ltd	Board Chair (till Nov 2015) Chair Remuneration & Nomination Committee (till Nov 15)
<b>Ronald Banks AM</b> More than 50 years' experience in business including heading the Banks Paton group of companies. He has also been a director of numerous publicly-listed and private companies and active in property development and the arts	Member-Appointed Non-Executive Director Foodbank Australia Limited (until March 2016) Director Vision Market Research Pty Ltd	
<b>Dorothy Coombe</b> Significant experience in marketing including ownership of Coombe Telephone Marketing Pty Ltd. Former board member of the Australian Telemarketing Association. Appointed Chair of Foodbank Victoria in June 2015 following joining on the board in 2013 as State President of The Country Women's Association of Victoria	Member-Appointed Non-Executive Director Foodbank Australia Limited Chair Foodbank Victoria Limited State President Country Women's Association of Victoria Inc. Director Country Women's Association of Australia Inc.	Member Fundraising Committee
<b>Gary Dawson</b> Experience in communications, the food industry, industry associations and government	Independent Non-Executive Director Foodbank Australia Limited (from Nov 2015) CEO Australian Food and Grocery Council Director GS1 Australia Ltd Director Enactus Australia	
<b>John Debenham</b> B.Comm, MBA, CPA, GAICD, SF FIN, MDIA 30 years' experience in Banking and financial services	Member-Appointed Non-Executive Director Foodbank Australia Limited Chair Foodbank Queensland Limited	Member Remuneration & Nomination Committee

<p><b>Anthony Froggatt LLB MBA Hons</b> Over 40 years' experience in the international food and beverage sector including business and brand development, marketing and distribution in mature and developing markets</p>	<p>Independent Non-Executive Director of Foodbank Australia Limited (from Nov 2015) Director Coca Cola Amatil Ltd Director Brambles Ltd</p>	<p>Board Chair (from Nov 2015) Chair Remuneration &amp; Nomination Committee (from Nov 15) Chair People &amp; Culture Committee</p>
<p><b>Antonio (Anthony) Gregorio</b> Dip Vis Com, ISP Dip, Adv Mark Cert. 22 years' experience in the UK and Australia in the business fields of advertising and marketing in agencies and with clients</p>	<p>Independent Non-Executive Director Foodbank Australia Limited CEO Havas Worldwide Australia Group</p>	<p>Member Fundraising Committee</p>
<p><b>Peter Mansell</b> B.Com; LLB; and HDip Tax 36 years as partner in law firms practicing commercial and resources law and on the boards of directors of a number of ASX listed public companies predominantly in the resources sector</p>	<p>Member-Appointed Non-Executive Director Foodbank Australia Limited Chair Foodbank of Western Australia Chair Energy Resources of Australia Ltd Chair Cancer Research Fund Pty Ltd Director Tap Oil Ltd Director Z-Filter Pty Ltd Director Aurecon Group Pty Ltd</p>	<p>Member Remuneration &amp; Nomination Committee</p>
<p><b>Ernest Pope</b> BSc. Over 40 years' senior executive experience in the food and beverage manufacturing industry in Asia, USA, Europe and Australasia</p>	<p>Member-Appointed Non-Executive Director Foodbank Australia Limited Chair Foodbank NSW &amp; ACT Limited Chair Yumi's Quality Foods Pty Ltd</p>	<p>Chair Audit &amp; Risk Committee</p>
<p><b>Daniel Reardon</b> 45 years' experience in State Government contributing to Tasmania's waterfront industry and commerce. Currently serving in the St Vincent de Paul Society</p>	<p>Member-Appointed Non-Executive Director Foodbank Australia Limited (from March 2016) Chair Foodbank of Tasmania Inc President Sandy Bay/Taroona St Vincent de Paul Society President Southern Regional Council St Vincent de Paul Society Member St Vincent de Paul Tasmania State Council</p>	
<p><b>Simon Schrapel</b> Over 30 years working in the Social and Community Services field in the UK, Sri Lanka and Australia involving positions in local government, State Government and non-government organisations</p>	<p>Member-Appointed Non-Executive Director Foodbank Australia Limited Chair Foodbank of South Australia Inc Chief Executive of Uniting Communities Director Australian Council of Social Service Director Families Australia</p>	
<p><b>Geoffrey Starr</b> BA Hons, GAIDC International &amp; domestic experience in marketing and the food industry at Chair and CEO level</p>	<p>Independent Non-Executive Director Foodbank Australia Limited Director Australian Pork Ltd</p>	<p>Chair Fundraising Committee Member Audit &amp; Risk Committee</p>

The company is a company limited by guarantee. At the date of this report the directors have no interest in any shares or other equity relating to the company.

During the year the company:

- Maintained an Audit and Risk Committee
  - To assist the Board to fulfil its responsibilities in relation to the following matters:
    - The reliability and appropriateness in reporting of financial information to users of the Company's financial reports, including adequacy of disclosure and application of accounting policies
    - The relationship with the external auditors
    - The maintenance of an effective framework of business risk management including compliance and internal controls
    - The adequacy of the Company's insurance program.
  - Membership consists of:
    - Ernest Pope (Chair); Geoff Starr; Peter Lucas.
- Convened a Director's Selection Committee
  - To assist the Board in selecting a nomination for independent director to the Board upon the retirement of the current Chair, Enzo Allara.
  - Membership consisted of:
    - Ernest Pope (Chair); John Debenham; Peter Mansell; Anthony Gregorio.
- Convened a Fundraising Committee
  - Development of policy to underpin fundraising activities
  - Oversight development of a comprehensive strategy to achieve fundraising goals
  - Membership consisted of:
    - Geoff Starr (Chair); Dorothy Coombe; Anthony Gregorio.

## Directors' Meetings

During the year the company held a number of meetings of directors. The attendances of the directors were:

Meetings	Board		Audit & Risk Committee		Fundraising Committee	
	Attended	Held	Attended	Held	Attended	Held
Director Names						
Enzo Allara (Chair) (1)	3	3				
Ron Banks	5	5				
Dorothy Coombe	6	6			2	2
Gary Dawson	4	6				
John Debenham	6	6				
Anthony Froggatt (Chair) (2)	4	4				
Antonio Gregorio	5	6			2	2
Peter Mansell	5	6				
Ernest Pope	5	6	3	3		
Daniel Reardon	0	1				
Simon Schrapel	5	6				
Geoff Starr	6	6	3	3	2	2
In attendance						
Peter Lucas - Secretary (3)	3	5	3	3		
Jason Hincks - CEO	3	4	1	1		
Ron Banks (4)	1	1				

- (1) Chair until November 2015  
 (2) Chair from November 2015  
 (3) Alternate for Ernest Pope at one meeting  
 (4) Representative for Foodbank TAS

## **Review of Operations**

The operating deficiency of the company for the 2016 financial year was \$24,623 (2015: deficiency of \$18,546).

## **Principal Activities**

During any year over 2 million Australians are food insecure and seek food relief. Foodbank is Australia's largest hunger relief organisation with a federated structure consisting of seven state and territory Foodbanks and Foodbank Australia Limited. During the year Foodbank in Australia collected 33.7 million kilograms of products from the food and grocery industry for distribution to 2,400 welfare agencies and 1,500 schools across Australia. This equates to 60 million meals or 166,000 meals a day. The food and groceries were then distributed to people in need in local communities.

Foodbank's medium term goal is to deliver 50 million kilograms of food and grocery products to welfare agencies.

The principal activities of the company during the financial year were:

- Coordinating the sourcing of food and related products from manufacturers and distributors and encouraging partnerships with these suppliers.
- Facilitating the distribution of donated food and grocery items to people in need, via member state Foodbanks, to a broad range of charitable and service organisations without regard to denomination.
- Raising awareness of the issue of hunger amongst the general public.
- Facilitating the enhancement of underpinning business capability across member state Foodbanks.
- Coordinating fundraising activities, with member state Foodbanks, to contribute towards the cost of delivering these activities.

## **Changes in the State of Affairs**

At the 2015 AGM the Chair, Enzo Allara, retired and a new independent director, Anthony Froggatt, was appointed to the board and elected as Chair by the directors. In November 2015 the CEO, Jason Hincks, resigned leaving at the end of February 2016. Foodbank Australia director, Geoffrey Starr, took up the position of Interim CEO at the request of the Foodbank Australia Board while a new CEO was recruited. In June 2016 the Foodbank Australia board announced the appointment of Brianna Casey to the position of CEO commencing mid July 2016.

## **Dividends**

As the company is a charitable organisation and a company limited by guarantee, it is prohibited by its constitution from distributing any of its income to its members by way of dividends or otherwise. Consequently no dividend was paid for the years ended 30 June 2016.

## **Subsequent Events**

There are no subsequent events to report.

## **Likely Developments**

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the company.

## **Indemnification of Officers and Auditors**

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, and all executive officers of the company against a liability incurred as such a director, secretary or executive officer to the extent permitted


by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company against a liability incurred as such an officer or auditor.

#### **Lead Auditors' Independence Declaration**

The lead auditors' independence declaration is included on page 8 of the financial report and forms part of the directors' report for financial year 2016.

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'A. Froggatt', is written over a horizontal dotted line.

Anthony Froggatt  
*Chair*

Sydney, 31 October 2016



***Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001***

*To: the directors of Foodbank Australia Limited*

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Trent Duvall'.

KPMG

A handwritten signature in black ink, appearing to read 'Trent Duvall'.

Trent Duvall  
Partner

Sydney  
31 October 2016





## **Independent auditor's report to the members of Foodbank Australia Limited**

### *Report on the financial report*

We have audited the accompanying financial report Foodbank Australia Limited (the Company), which comprises the balance sheet as at 30 June 2016, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 23 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

This audit report has also been prepared for the members of the Company in pursuant to *Australian Charities and Not-for-profits Commission Act 2012*.

### *Directors' responsibility for the financial report*

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements, the Corporations Act 2001 and the Australian Charities and Not-for-profits Commission Act 2012. The Directors' responsibility also includes such internal control as the Directors determine necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error.

### *Auditor's responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report gives, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the Corporations Act 2001 and the Australian Charities and Not-for-profits Commission Act 2012, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

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

### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Corporations Act 2001*.



*Auditor's opinion*

In our opinion, the financial report of Foodbank Australia Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) Complying with the *Australian Accounting Standards – Reduced Disclosures Requirements*, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001*.

*Audit opinion pursuant to the Charitable Fundraising Act (NSW) 1991*

In our opinion:

- (a) the financial report gives a true and fair view of the Foodbank Australia Limited financial result of fundraising appeal activities for the financial year ended 30 June 2016;
- (b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2015 to 30 June 2016, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- (c) money received as a result of fundraising appeal activities conducted during the period from 1 July 2015 to 30 June 2016 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- (d) there are reasonable grounds to believe that Foodbank Australia Limited will be able to pay its debts as and when they fall due.

KPMG

Trent Duvall  
*Partner*

Sydney

31 October 2016

# Foodbank Australia Limited

## Directors' Declaration

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In the opinion of the directors of Foodbank Australia Limited:

- (a) The Company is not publicly accountable.
- (b) The financial statements and notes that are set out on pages 14 to 26 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - (i) Giving a true and fair view in all material respects of the Company's financial position as at 30 June 2016 and of its performance, for the financial year ended on that date.
  - (ii) Complying with Australian Accounting Standards - Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission 2012.
- (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



.....  
Anthony Froggatt  
*Chair*

Sydney, 31 October 2016

# Foodbank Australia Limited

## Directors' Declaration in respect of fundraising appeals

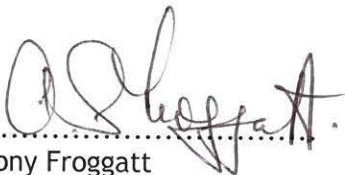
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The directors declare that:

- (a) The financial report gives a true and fair view of all income and expenditure and the state of affairs of Foodbank Australia Limited with respect to fundraising appeal activities for the financial year ended 30 June 2016.
- (b) The provisions of the Charitable Fundraising Act 1991 and Regulations and the conditions attached to the authority have been complied with for the financial year ended 30 June 2016.
- (c) The internal controls exercised by Foodbank Australia Limited are appropriate and effective in accounting for all income received and applied by Foodbank Australia Limited for any of its fundraising appeals.

Signed in accordance with a resolution of the directors.

On behalf of the directors



.....  
Anthony Froggatt  
*Chair*

Sydney, 31 October 2016

# Foodbank Australia Limited

## Statement of comprehensive income for the year ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue	3	<b>4,182,838</b>	<b>4,058,885</b>
Government grants	2(l)	<b>1,195,822</b>	<b>1,100,000</b>
State Foodbank contributions to IT		<b>196,930</b>	<b>192,812</b>
Profile raising		-	<b>20,000</b>
Donations		<b>1,152,971</b>	<b>901,957</b>
Interest received		<b>37,242</b>	<b>43,071</b>
State Foodbank levies		<b>565,789</b>	<b>556,128</b>
Recoupment from members food and other		<b>1,034,084</b>	<b>1,244,917</b>
Expenses	4	<b>(4,207,461)</b>	<b>(4,077,431)</b>
Key staple food supply expense	2(l)	<b>(2,680,053)</b>	<b>(2,778,473)</b>
National IT infrastructure expense		<b>(212,089)</b>	<b>(185,347)</b>
Profile raising expense		<b>(268,904)</b>	<b>(133,104)</b>
Employee, board and meeting expense		<b>(922,994)</b>	<b>(870,834)</b>
Depreciation expense		<b>(5,941)</b>	<b>(6,817)</b>
Administration expense		<b>(117,480)</b>	<b>(102,856)</b>
<b>Deficiency before income tax</b>		<b>(24,623)</b>	<b>(18,546)</b>
Income tax expense	2(h)	-	-
<b>Net Deficiency for the year</b>		<b>(24,623)</b>	<b>(18,546)</b>
<b>Total comprehensive expenses for the year</b>		<b>(24,623)</b>	<b>(18,546)</b>

The above statement of other comprehensive income should be read in conjunction with the accompanying notes set out on pages 17 to 26.

# Foodbank Australia Limited

## Statement of financial position as at 30 June 2016

	Note	2016 \$	2015 \$
<b>Current Assets</b>			
Cash	6	1,755,038	1,590,920
Receivables	7	143,073	87,802
Other	8	65,338	62,354
<b>Total Current Assets</b>		<b>1,963,449</b>	<b>1,741,076</b>
<b>Non-Current Assets</b>			
Plant and equipment	9	5,097	9,365
<b>Total Non-Current Assets</b>		<b>5,097</b>	<b>9,365</b>
<b>Total Assets</b>		<b>1,968,546</b>	<b>1,750,441</b>
<b>Current Liabilities</b>			
Payables	10	223,055	88,394
Provision	11	24,504	18,122
Unearned revenue	12	289,178	330,000
Contributions received in advance	13	451,779	309,272
<b>Total Current Liabilities</b>		<b>988,516</b>	<b>745,788</b>
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>988,516</b>	<b>745,788</b>
<b>Net Assets</b>		<b>980,030</b>	<b>1,004,653</b>
<b>Equity</b>			
Retained surplus	14	980,030	1,004,653
<b>Total Equity</b>		<b>980,030</b>	<b>1,004,653</b>

The above statement of financial position should be read in conjunction with the accompanying notes set out on pages 17 to 26.

# Foodbank Australia Limited

## Statement of changes in equity for year ended 30 June 2016

	<u>Note</u>	<u>Accumulated Surplus and Total Equity \$</u>
Balance at 1 July 2014		1,023,199
Deficiency for the year		(18,546)
<b>Balance at 30 June 2015</b>	14	<u><u>1,004,653</u></u>
Balance at 1 July 2015		1,004,653
Deficiency for the year		(24,623)
<b>Balance at 30 June 2016</b>	14	<u><u>980,030</u></u>

The above statement of statement of changes in equity should be read in conjunction with the accompanying notes set out on pages 17 to 26.

# Foodbank Australia Limited

## Statement of cash flows for the financial year ended 30 June 2016

	Note	2016 \$	2015 \$
<b><i>Cash Flows From Operating Activities</i></b>			
Receipts from operations		4,192,011	4,435,182
Payments to suppliers and employees		(4,067,917)	(4,123,490)
Interest received		41,697	36,914
Net cash generated/used in operating activities	19	165,791	348,606
<b><i>Cash Flows From Investing Activities</i></b>			
Fixed asset purchases		(1,673)	(7,468)
Proceeds from sale of property, plant and equipment		-	6,285
Net cash outflow from investing activities		(1,673)	(1,183)
<b><i>Net Increase / (Decrease) in Cash Held</i></b>		<b>164,118</b>	<b>347,423</b>
<b><i>Cash At Beginning Of Year</i></b>		<b>1,590,920</b>	<b>1,243,497</b>
<b><i>Cash At End Of Year</i></b>	6	<b>1,755,038</b>	<b>1,590,920</b>

The above statement of cash flows should be read in conjunction with the accompanying notes set out on pages 17 to 26.



# Foodbank Australia Limited

## Notes to the Financial Statements for the Financial Year Ended 30 June 2016

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### 1. Reporting Entity

The financial report as at and for the year ended 30 June 2016 comprises Foodbank Australia Limited (“the Company”). Foodbank Australia Limited is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

### 2. Summary of Accounting Policies

#### *(a) Statement of compliance*

The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission (ACNC) 2012.

#### *(b) Basis of preparation*

##### *(i) Use of estimates and judgements*

The financial report is presented in Australian dollars.

The financial report is prepared on the historical cost basis.

Non-current assets are stated at the lower of cost and fair value less costs to sell.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the company.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in the company’s financial report.

#### *(c) Financial Instruments*

##### *(i) Non-derivative financial assets*

Financial assets are recognised initially on the trade date at which the company becomes a party to the contractual provisions of the instrument.

The company has the following non-derivative financial assets: trade and other receivables, cash and cash equivalents.

### *Trade and other receivables*

Trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost, less provision for impairment.

### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and deposits held at call with financial institutions.

#### (ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the company becomes party to the contractual provisions of the instrument. The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The company's non-derivative financial liabilities are trade and other payables. Trade and other payables are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services. These amounts are carried at their amortised cost.

#### (d) *Property, plant and equipment*

##### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

##### (ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

##### (iii) Depreciation

Depreciation is provided on plant and equipment on a straight line basis so as to write-off the depreciable amount over the estimated useful life of the asset to the company. The following estimated useful lives are used in the calculation of depreciation:

- Motor vehicles      8 years
- Computers            4 years

*(e) Impairment*

(i) Non-derivative financial assets

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy or adverse changes in the payment status of borrowers or issuers.

The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and provision or impairment. Losses are recognised in profit or loss and reflected in an allowance account against receivables.

*(f) Employee Benefits*

Provision is made for benefits accruing in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

(i) Short-term employee benefits

Provisions made in respect of wages and salaries, annual leave and long service leave expected to be settled within 12 months, are calculated at undiscounted amounts based on the remuneration rates expected to apply at the time of settlement, including related on-costs such as workers compensation insurance and superannuation.

(ii) Other long term employee benefits

Provisions to be made in respect of annual leave and long service leave which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to the reporting date.

(iii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

*(g) Goods and Services Tax*

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

*(h) Income Tax*

The Deputy Commissioner of Taxation has recognised the company as a public benevolent institution for taxation purposes and has exempted the company from income tax pursuant to the Income Tax Assessment Act. Accordingly, no provision has been made for income tax.

*(i) Recoverable Amount of Non-Current Assets*

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have been discounted to their present value.

*(j) Revenue Recognition*

Levies, IT contributions and interest received are brought to account on an accrual basis.

Profile Raising Revenue, Donations and Product-Tied contributions, due to their nature, can only be recognised as income when they have been received and recorded in the company's accounting records.

Foodbank Australia Limited, in association with member State Foodbanks, undertook ongoing fundraising appeals for food and financial donations during the financial year ended 30 June 2016.

*(k) "In Kind" Provision of Services to Foodbank Australia Limited*

Foodbank Australia Limited receives "in kind" services from a number of individuals and organisations. Foodbank Australia does not recognise an expense or associated revenue for these "in kind" services in the financial report. The major "in kind" services received include:

- Audit and accounting services
- Airline travel
- Freight and food transport services
- IT & website consulting and maintenance
- Office lease and other accommodation
- Warehousing and storage services
- Legal services

### *(l) Revenue Recognition of Government Grants*

Government Grants can be granted to Foodbank Australia with conditions attached or for specific purposes. These granted are called 'reciprocal transfers'. If no conditions and no specific purposes are attached, they are called 'non-reciprocal' transfers.

Contributions that meet the definition of a non-reciprocal transfer are subject to AASB 1004 Contributions. Income arising from the contribution is recognised when Foodbank Australia Limited receives the contribution or has the right to receive the contribution, the contribution is reliably measured, and it is probable the economic benefits associated with the contribution will flow to Foodbank Australia Limited.

Where the contribution is a reciprocal transfer, AASB 118 Revenue is applicable. Income arising from the contribution is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The state of completion is assessed by reference to the level of related Collaborative Food Supply expenditure in the current period.

Where funding has been received but does not meet the revenue recognition criteria of AASB 118 *Revenue*, the funding is recorded as unearned revenue in the statement of financial position.

### *(m) Finance income*

Finance income comprises interest income on cash and cash equivalents. Interest income is recognised as it accrues in the surplus or deficit for the year, using the effective interest method.

### *(n) New Accounting Standards and Interpretations not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting periods. Foodbank Australia Limited has not adopted these new standards and interpretations and it is not expected that their adoption will have a material impact on future financial statements.

	2016	2015
	\$	\$
<b>3. Operating Revenue</b>		
Government grants	1,195,822	1,100,000
State Foodbank contribution to IT	196,930	192,812
Profile raising	-	20,000
Donations	1,152,971	901,957
Interest received	37,242	43,071
State Foodbank Levies	565,789	556,128
Recoupment from members for food and other items	1,034,084	1,244,917
	<u>4,182,838</u>	<u>4,058,885</u>

#### **Government grants**

Government grant funds are applied to the Key Staples Program which seeks to arrange the manufacture of key staple foods that are not received in sufficient quantities through surplus donations and to improve access to a consistent and cost effective supply of staple foods, including fresh fruit and vegetables. Reciprocal funding is recognised as it is expensed.

#### **Profile raising**

A principal company activity is to raise awareness of the issue of hunger within the community. Income was raised from food & grocery industry partner companies and then expensed on profile raising activities in the reporting period.

#### **Donations**

Donations are sought from the corporate sector and the general public to augment the government grant and help fund the Key Staples Program. In 2016, \$654,610 (2015: \$562,990) was donated by Key Staples Program partners and the remaining \$322,900 (2015: \$338,967) was donated through workplace giving programs and other donations from individuals and corporations.

	2016 \$	2015 \$
<b>4. Expenses</b>		
Key staples program	2,680,053	2,778,473
National IT infrastructure	212,089	185,347
Profile raising	268,904	133,104
<b>Employee, board and meeting</b>		
<i>Personnel expenses</i>	896,384	848,683
<i>Training &amp; Development</i>	5,766	1,598
<i>Board/Governance</i>	17,243	18,806
<i>Meeting expenses</i>	3,601	1,747
	<b>922,994</b>	<b>870,834</b>
<b>Depreciation</b>	<b>5,941</b>	<b>6,817</b>
<b>Administration</b>		
<i>Accommodation</i>	56,184	40,643
<i>Accountancy banking and legal</i>	6,472	4,840
<i>Insurance</i>	14,669	14,823
<i>Telephone</i>	10,981	11,008
<i>Rent</i>	7,766	4,174
<i>Printing and Stationery</i>	6,061	4,337
<i>Other</i>	15,347	23,031
	<b>117,480</b>	<b>102,856</b>
	<b>4,207,461</b>	<b>4,077,431</b>

#### 5. Remuneration of Auditors

KPMG performed the audit on an honorary basis and accordingly did not receive any payment for services rendered during the financial year (2015: \$nil).

	2016 \$	2015 \$
<b>6. Cash</b>		
On call - interest bearing	1,152,232	1,007,381
Interest bearing deposit	602,806	583,539
	<b>1,755,038</b>	<b>1,590,920</b>

	2016 \$	2015 \$
<b>7. Current Receivables</b>		
State & Territory-based Foodbanks	60,493	85,630
Other debtors	82,580	2,172
	<b>143,073</b>	<b>87,802</b>

Foodbank Australia had no provision for doubtful debts as at 30 June 2016 (2015: \$nil).

8. Other Current Assets	2016 \$	2015 \$
GST receivable	44,963	29,423
Prepayments	13,723	21,824
Interest receivable	6,652	11,107
	<u>65,338</u>	<u>62,354</u>

9. Plant And Equipment	2016 \$	2015 \$
<i>Motor vehicles:</i>		
At cost	-	-
Accumulated depreciation	-	-
<i>Computer equipment:</i>		
At cost	31,377	29,704
Accumulated depreciation	(26,280)	(20,339)
	<u>5,097</u>	<u>9,365</u>
	<u>5,097</u>	<u>9,365</u>

#### Movements

	2016 \$	2015 \$
<i>Motor vehicles:</i>		
Opening net book amount	-	7,428
Additions	-	-
Disposals	-	(6,285)
Depreciation	-	(1,143)
Closing net book amount	<u>-</u>	<u>-</u>
<i>Computer equipment:</i>		
Opening net book amount	9,365	7,571
Additions	1,673	7,468
Disposals	-	-
Depreciation	(5,941)	(5,674)
Closing net book amount	<u>5,097</u>	<u>9,365</u>

10. Payables	2016 \$	2015 \$
Accounts payable	203,205	62,315
Accrued expenses	-	877
GST payable	9,444	11,436
PAYG withholding payable	10,406	13,766
	<u>223,055</u>	<u>88,394</u>

11. Current provisions	2016 \$	2015 \$
Annual leave	24,504	18,122
	<u>24,504</u>	<u>18,122</u>

	2016	2015
	\$	\$
<b>12. Unearned Revenue</b>		
<i>Government grants:</i>		
Commonwealth reciprocal multi-year program funding	-	-
Commonwealth one-off specific funding	289,178	330,000
	<u>289,178</u>	<u>330,000</u>
<b>13. Contributions received in advance</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Key Staples Program tied funding	347,072	232,081
State contributions:		
<i>Reciprocal funding for additional food procurement</i>	104,707	77,191
	<u>451,779</u>	<u>309,272</u>
<b>14. Retained Earnings</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Balance - 1 July	1,004,653	1,023,199
Deficiency for the year	(24,623)	(18,546)
Balance - 30 June	<u>980,030</u>	<u>1,004,653</u>

#### 15. Related party transactions

Foodbank Australia Limited acts as a national liaison and coordination point for the activities of Foodbank Queensland Limited, Foodbank NSW & ACT Limited, Foodbank Victoria Limited, Foodbank of South Australia Incorporated, Foodbank of Western Australia Incorporated, Foodbank of Tasmania Incorporated and Foodbank Northern Territory. Foodbank Australia Limited's costs of operation and national IT activities are met in part by levies paid by mainland State Foodbanks to the amount of \$565,789 (2015: \$556,128) for operations and \$196,930 (2015: \$192,812) in IT contributions.

State and Territory Foodbanks contributed additional funds to the Key Staples Program in 2016 in order for Foodbank Australia to procure additional food products on their behalf. Foodbank NSW & ACT Limited received \$268,972 (2015: \$302,579) in additional food products. Foodbank Victoria Limited received \$2,520 (2015: \$156,200) in additional food products. Foodbank Queensland Limited received \$520,460 (2015: \$552,422) in additional food products. Foodbank of Western Australia Incorporated received \$126,624 (2015: \$88,683) in additional food products. Foodbank of South Australia Incorporated received \$111,263 (2015: \$121,962) in additional food products. Foodbank of Tasmania Incorporated received \$0 (2015: \$19,511) in additional food products. Foodbank Northern Territory received \$3,490 (2015: \$3560) in additional food products.

Foodbank paid \$86,029 (2015: nil) to Geoff Starr for his services as acting Chief Executive officer during March to June 2016. Geoff Starr is also a director of Foodbank Australia Limited.



On 23 May 2016, Foodbank entered into a service agreement with Foodbank NSW & ACT Limited for the provision of accounting and finance services. In 2016, Foodbank Australia paid \$4,580 (2015: \$nil) to Foodbank NSW & ACT for assistance in general finance management, bookkeeping and financial reporting.

During the year, the company paid \$55,124 (2015: \$54,313) to Red Agency which is part of the Havas Worldwide for public relation services. Anthony Gregorio is a director of Foodbank Australia Limited and is the Group CEO of Havas Worldwide.

Foodbank paid \$50,856 (2015: \$nil) to Simplot Australia for pasta sauce for the Key Staples Program. Simplot Australia donated 343,702 kg (2015: 236,964 kg) of food products. Terry O'Brien is Managing Director of Simplot Australia and was a Director of Foodbank Australia Limited to November 2014.

Foodbank paid \$805 (2015: \$3,746) to Foster Raffan for accountancy services. Douglas Wood is a partner of Foster Raffan and was Company Secretary of Foodbank Australia Limited until September 2014.

## 16. Limitation of Liability

Foodbank Australia Limited is a company limited by guarantee. If the company is wound up, the articles of association state that each member is to contribute a maximum of \$10 each towards meeting any outstanding liabilities. As at the date of signing of this financial report the company has six members (2015 - six members).

## 17. Directors' Remuneration

Directors did not receive remuneration for services rendered as directors during the year.

## 18. Additional Company Information

### *Principal Registered Office and Principal Place of Business*

Level 3  
11 Julius Avenue  
North Ryde NSW 2113

The company had 4 employees at the end of the financial year (2015: 7).

## 19. Notes To The Statement Of Cash Flows

<i>Reconciliation Of Cash Flows From Operating Activities</i>	2016 \$	2015 \$
Deficiency for the year	(24,623)	(18,546)
Depreciation	5,941	6,817
Adjustments for:		
<i>(Increase) in receivables</i>	(55,271)	(60,192)
<i>(Increase) in other assets</i>	(2,984)	(18,510)
<i>Increase/(decrease) in payables</i>	134,661	(23,850)
<i>(Decrease)/ Increase in unearned revenue</i>	(40,822)	330,000
<i>Increase in contributions received in advance</i>	142,507	149,560
<i>Increase/(decrease) in provisions</i>	6,382	(16,673)
Net cash flows (used in)/provided by operating activities	165,791	348,606

## 20. Contingencies

Foodbank Australia had no contingent assets or liabilities at 30 June 2016 (2015: nil).

## 21. Commitments

Foodbank Australia had no commitments at 30 June 2016 (2015: nil).

## 22. Subsequent Events

There are no subsequent events to report.

## 23. Fundraising appeals conducted during the year

Foodbank Australia Limited has received proceeds from the public in relation to the collaborative food supply program, profile raising events and ongoing fundraising appeals conducted throughout the financial year ending 30 June 2016.

In accordance with section 20 of the Charitable Fundraising (NSW) Act 1991, monies received in the course of fundraising appeals are applied according to the objects or purposes of the appeal net of proper and appropriate expenses. Surplus funds from fundraising appeals are to be expensed as part of the Key Staples Program in the next financial year.

<i>Result of fundraising appeals</i>	2016 \$	2015 \$
Gross proceeds from fundraising appeals (includes donations, profile raising revenue & product-tied contributions)	1,152,971	901,957
Less: Direct fundraising costs	(4,139)	(1,136)
<b>Net surplus - public fundraising appeals</b>	<b>1,148,832</b>	<b>900,821</b>
Application of net surplus obtained from fundraising appeals		
Distributions (largely expenditures on food supply)	1,148,832	900,821
Administration expenses	-	-
	<b>1,148,832</b>	<b>900,821</b>
Surplus from fundraising appeals	-	-

In addition to the cash donations received above, Foodbank Australia has received food contributions from the public and its business partners throughout the year. The volume of food that was received by the company and distributed by member State Foodbanks was:

	2016 Kilograms	2015 Kilograms
Food from Supermarkets	2,946,733	2,806,605
Food from Manufacturers / Producers	11,098,190	12,397,980
Food from Key Staples Program	2,909,090	3,189,512
	<b>16,954,013</b>	<b>18,394,097</b>