



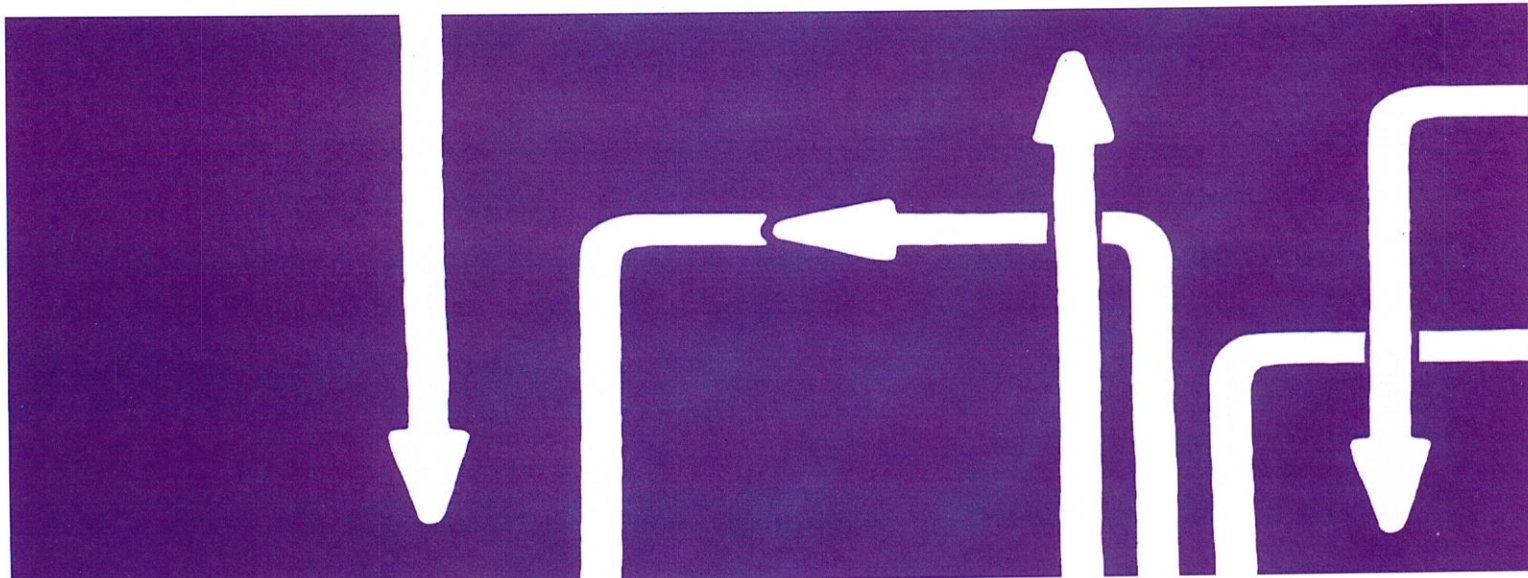
**FIGHTING HUNGER
IN AUSTRALIA**

Foodbank Australia Limited

ABN 58 073 579 254

Financial Report

for the Financial Year Ended 30 June 2017



Foodbank Australia Limited

Annual Financial Report for the Financial Year Ended 30 June 2017

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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 2017. 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
<p>Dorothy Coombe 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</p>	<p>Member-Appointed Non-Executive Director Foodbank Australia Limited Chair Foodbank Victoria Limited National President Country Women's Association of Australia Treasurer and Director - National Rural Women's Coalition Director - FarmSafe Australia Council and Member-Appointed Representative National Rural Health Alliance Consultant to the Australian Communications and Media Authority Consultant to the Consumer Consultation Forum Consultant to the Australian Energy Regulator Consumer Consultative Group</p>	<p>Member Fundraising Committee</p>
<p>Gary Dawson Experience in communications, the food industry, industry associations and government</p>	<p>Independent Non-Executive Director Foodbank Australia Limited (till March 2017) CEO Australian Food and Grocery Council Director GS1 Australia Ltd Director Enactus Australia</p>	
<p>John Debenham B.Comm, MBA, CPA, GAICD, SF FIN, MDIA 30 years' experience in Banking and financial services</p>	<p>Member-Appointed Non-Executive Director Foodbank Australia Limited Chair Foodbank Queensland Limited</p>	<p>Member Remuneration & Nomination Committee (till March 2017) Member Audit & Risk Committee (from March 2017)</p>
<p>Anthony (Tony) Froggatt LLB Hons MBA 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 Director Coca Cola Amatil Ltd (till May 2017) Director Brambles Ltd</p>	<p>Board Chair Chair Remuneration & Nomination Committee Chair of the People & Culture Committee</p>

<p>Antonio (Anthony) Gregorio 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>Peter Kelly Over 39 years' senior executive experience in the food and beverage manufacturing industry at Nestle. Leader of the Corporate Affairs function and responsible for Nestle Oceania's External media, Government Relations and Consumer Services and legal team. Currently an independent management consultant.</p>	<p>Member-Appointed Non-Executive Director Foodbank Australia Limited Chair Foodbank NSW & ACT</p>	<p>Member Remuneration & Nomination Committee (from March 2017)</p>
<p>Peter Mansell 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 (till Sep 2017)</p>	<p>Member Remuneration & Nomination Committee Member of the Constitution Review Working Group</p>
<p>Terrence O'Brien Over 40 years' experience in the food industry. Managing Director of Simplot Australia from 2001 prior to which he was Deputy Managing Director and Chief Financial Officer. A qualified accountant with post graduate qualifications in banking and finance. Fellow of both CPA Australia and the Institute of Company Directors.</p>	<p>Independent Non-Executive Director Foodbank Australia Limited MD of Simplot Australia (till September 2017) Chair Australian Food & Grocery Council (till September 2017) Chair Clean Seas Seafood Limited Director Bundaberg Brewed Drinks Pty Limited Director Bega Cheese Limited Director Food Innovation Australia Limited</p>	
<p>Ernest Pope 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 (till November 2016) Chair Foodbank NSW & ACT Limited Chair Yumi's Quality Foods Pty Ltd</p>	<p>Chair Audit & Risk Committee (till November 2016)</p>
<p>Daniel Reardon 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 (till December 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>	

Simon Schrapel Over 35 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	Member-Appointed Non-Executive Director Foodbank Australia Limited Chair Foodbank of South Australia Inc Chief Executive of Uniting Communities Chair Together SA Chair Council for the Care of Children Director Families Australia	Member of the Constitution Review Working Group
Geoffrey Starr BA Hons, GAIDC International & domestic experience in marketing and the food industry at Chair and CEO level	Independent Non-Executive Director Foodbank Australia Limited Chair Cannpal Therapeutics Ltd Director Australian Pork Ltd Director Food Innovations Australia Ltd	Chair Fundraising Committee Member Audit & Risk Committee

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 auditor
 - The maintenance of an effective framework of business risk management including compliance and internal controls
 - The adequacy of the Company's insurance program.
- Maintained a Fundraising Committee
 - Development of policy to underpin fundraising activities
 - Oversight development of a comprehensive strategy to achieve fundraising goals
 - Membership consisted of:

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
Directors						
Dorothy Coombe	5	6			2	3
Gary Dawson	3	5				
John Debenham	6	6	1	1		
Anthony Froggatt (Chair)	6	6				
Antonio Gregorio	5	6			3	3
Peter Kelly	2	2				
Peter Mansell	5	6				
Terrence O'Brien	1	1				
Ernest Pope	4	4	1	1		
Daniel Reardon	1	4				
Simon Schrapel	6	6				
Geoff Starr	5	6	0	2	3	3
In attendance						
Brianna Casey (CEO)	6	6	1	1		

Peter Kelly	2	2				
Peter Lucas (1)	1	2	2	2		
Sarah Pennell (2)	4	4	2	2	3	3

(1) Company Secretary till September 2016. Audit & Risk Committee member. Chair of Audit & Risk Committee from March 2017

(2) Company Secretary from September 2016

Review of Operations

The operating surplus of the company for the 2017 financial year was \$104,309 (2016: deficiency of \$24,623).

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 35.2 million kilograms of products from the food and grocery industry for distribution to over 2,600 welfare agencies and 1,750 schools across Australia. This equates to 64 million meals or more than 175,000 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 national 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

In mid-July 2016 Brianna Casey took up the position of CEO. She took over from Foodbank Australia director, Geoffrey Starr, who acted as Interim CEO at the request of the Foodbank Australia Board following the resignation of Jason Hincks at the end of February 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 year ended 30 June 2017.

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 Auditor

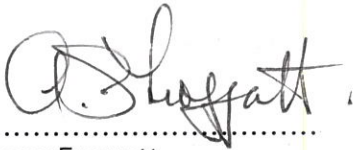
During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, and all executive officers of the company against a liability incurred as such a director, secretary or executive officer to the extent permitted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

The lead auditor's independence declaration is included on page 8 of the financial report and forms part of the directors' report for financial year 2017.

Signed in accordance with a resolution of the directors:



.....
Anthony Froggatt
Chair

Sydney, 12 October 2017



Lead Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Directors of Foodbank Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Foodbank Australia Limited for the financial year ended 30 June 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Trent Duvall
Partner

Sydney
12 October 2017



Independent Auditor's Report

To the members of Foodbank Australia Limited :

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Foodbank Australia Limited (the Company)

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2017, and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises :

- Balance sheet as at 30 June 2017.
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- Notes including a summary of significant accounting policies.
- Directors' declaration of the Company.
- Declaration by the directors in respect of fundraising appeals of the Company.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Company in accordance with the auditor independence requirements of the *ACNC Act 2012* 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 fulfilled our other ethical responsibilities in accordance with the Code.

Other information

Other Information is financial and non-financial information in Foodbank Australia Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other



Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosures Requirements and the ACNC.
- ii. Preparing the Financial Report in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations (the Act and Regulations).
- iii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Assessing the Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

Undertaking an audit in accordance with *Australian Auditing Standards*, means exercising professional judgment and maintaining professional skepticism.

Our responsibilities include:

- i. Identifying and assessing the risks of material misstatement of the Financial Report, whether due to fraud or error.
- ii. Designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- iii. Obtaining an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.
- iv. Evaluating the appropriateness of accounting policies used and the reasonableness of



accounting estimates and related disclosures made by the Directors.

- v. Concluding on the appropriateness of the Directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- vi. Evaluating 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.

In addition we have:

- i. Obtained an understanding of the internal control structure for fundraising appeal activities.
- ii. Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Act and Regulation.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.

Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion,

- i. the Financial Report gives a true and fair view of the Company's financial result of fundraising appeal activities for the financial year ended 30 June 2017;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period 1 July 2016 to 30 June 2017 in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2016 to 30 June 2017 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

KPMG

Trent Duvall
Partner

Sydney
12 October 2017

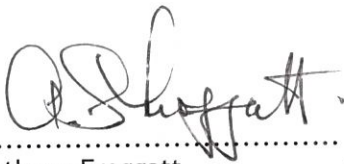
Foodbank Australia Limited

Directors' Declaration

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 13 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 2017 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, 12 October 2017

Foodbank Australia Limited

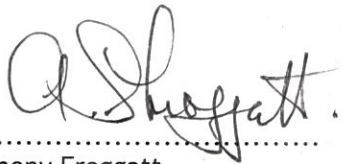
Directors' Declaration in respect of fundraising appeals

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 2017.
- (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 2017.
- (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, 12 October 2017

Foodbank Australia Limited

Statement of comprehensive income for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue			
Government grants	2(l)	1,051,745	1,195,822
State Foodbank contributions to IT		214,909	196,930
Profile raising		665,000	170,000
Donations		903,447	977,510
Interest received		27,075	37,242
State Foodbank levies		577,113	565,789
Recoupment from members food and other		1,003,874	1,039,545
Other Income		900	-
	3	<u>4,444,063</u>	<u>4,182,838</u>
Expenses			
Key staple food supply expense	2(l)	(2,504,608)	(2,680,053)
National IT infrastructure expense		(148,755)	(212,089)
Profile raising expense		(460,885)	(268,904)
Employee, board and meeting expense		(1,033,106)	(922,994)
Depreciation expense		(3,514)	(5,941)
Administration expense		(188,886)	(117,480)
	4	<u>(4,339,754)</u>	<u>(4,207,461)</u>
Net Surplus (deficit)		104,309	(24,623)
Other comprehensive income for the year		-	-
Total comprehensive income (expenses) for the year		<u>104,309</u>	<u>(24,623)</u>

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 2017

	Note	2017 \$	2016 \$
Current Assets			
Cash	6	1,642,438	1,755,038
Receivables	7	408,857	143,073
Other	8	50,312	65,338
Total Current Assets		2,101,607	1,963,449
Non-Current Assets			
Plant and equipment	9	3,173	5,097
Total Non-Current Assets		3,173	5,097
Total Assets		2,104,780	1,968,546
Current Liabilities			
Payables	10	673,420	223,055
Provisions	11	31,813	24,504
Unearned revenue	12	62,434	289,178
Contributions received in advance	13	229,330	451,779
Total Current Liabilities		996,997	988,516
Non-Current Liabilities			
Provisions	14	23,444	-
Total Non-Current Liabilities		23,444	-
Total Liabilities		1,020,441	988,516
Net Assets		1,084,339	980,030
Equity			
Retained surplus	15	1,084,339	980,030
Total Equity		1,084,339	980,030

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 2017

	<u>Note</u>	<u>Accumulated Surplus and Total Equity \$</u>
Balance at 1 July 2015		1,004,653
Deficiency for the year		(24,623)
Balance at 30 June 2016	15	<u>980,030</u>
Balance at 1 July 2016		980,030
Surplus for the year		104,309
Balance at 30 June 2017	15	<u>1,084,339</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 2017

	Note	2017 \$	2016 \$
<i>Cash Flows From Operating Activities</i>			
Receipts from operations		3,701,111	4,192,011
Payments to suppliers and employees		(3,842,736)	(4,067,917)
Interest received		29,715	41,697
Net cash generated/used in operating activities	20	(111,910)	165,791
<i>Cash Flows From Investing Activities</i>			
Fixed asset purchases		(1,590)	(1,673)
Proceeds from sale of property, plant and equipment		900	-
Net cash outflow from investing activities		(690)	(1,673)
<i>Net Increase / (Decrease) in Cash Held</i>		(112,600)	164,118
<i>Cash At Beginning Of Year</i>		1,755,038	1,590,920
<i>Cash At End Of Year</i>	6	1,642,438	1,755,038

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 2017

1. Reporting Entity

The financial report as at and for the year ended 30 June 2017 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

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.

(i) Use of estimates and judgements

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 2017.

(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:

- Advertising services
- Airline travel
- Audit and accounting services
- Freight and food transport services
- IT & website consulting and maintenance
- Legal services
- Media services
- Office lease and other accommodation
- Warehousing and storage 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 2017 reporting periods. These are AASB 9 Financial Instruments, AASB 15 Revenue and Contracts with Customers and AASB 16 Leases. 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.

	2017 \$	2016 \$
3. Operating Revenue		
Government grants	1,051,745	1,195,822
State Foodbank contribution to IT	214,909	196,930
Profile raising	665,000	170,000
Donations	903,447	977,510
Interest received	27,075	37,242
State Foodbank Levies	577,113	565,789
Recoupment from members for food and other items	1,003,874	1,039,545
Other Income	900	-
	<u>4,444,063</u>	<u>4,182,838</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. In 2017, \$665,000 (2016: \$170,000) 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 2017, \$573,227 (2016: \$654,610) was donated by Key Staples Program partners and the remaining \$330,220 (2016: \$322,900) was donated through workplace giving programs and other donations from individuals and corporations.

	2017 \$	2016 \$
4. Expenses		
Key staples program	2,504,608	2,680,053
National IT infrastructure	148,755	212,089
Profile raising	460,885	268,904
Employee, board and meeting		
<i>Personnel expenses</i>	1,008,031	896,384
<i>Training & Development</i>	4,148	5,766
<i>Board/Governance</i>	17,698	17,243
<i>Meeting expenses</i>	3,229	3,601
	<u>1,033,106</u>	<u>922,994</u>
Depreciation	<u>3,514</u>	<u>5,941</u>
Administration		
<i>Accommodation</i>	68,052	56,184
<i>Accountancy banking and legal</i>	58,787	6,472
<i>Insurance</i>	16,131	14,669
<i>Telephone</i>	14,562	10,981
<i>Rent</i>	8,932	7,766
<i>Printing and Stationery</i>	5,701	6,061
<i>Other</i>	16,721	15,347
	<u>188,886</u>	<u>117,480</u>
	<u>4,339,754</u>	<u>4,207,461</u>

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 (2016: \$nil).

	2017 \$	2016 \$
6. Cash		
On call - interest bearing	1,026,724	1,152,232
Interest bearing deposit	615,714	602,806
	<u>1,642,438</u>	<u>1,755,038</u>

	2017 \$	2016 \$
7. Current Receivables		
State & Territory-based Foodbanks	139,357	60,493
Other debtors	269,500	82,580
	<u>408,857</u>	<u>143,073</u>

Foodbank Australia had no provision for doubtful debts as at 30 June 2017 (2016: \$nil).

8. Other Current Assets	2017 \$	2016 \$
GST receivable	39,181	44,963
Prepayments	7,119	13,723
Interest receivable	4,012	6,652
	<u>50,312</u>	<u>65,338</u>

9. Plant And Equipment	2017 \$	2016 \$
<i>Computer equipment:</i>		
At cost	31,423	31,377
Accumulated depreciation	(28,250)	(26,280)
	<u>3,173</u>	<u>5,097</u>

Movements	2017 \$	2016 \$
<i>Computer equipment:</i>		
Opening net book amount	5,097	9,365
Additions	1,602	1,673
Disposals	(1,556)	-
Depreciation	(1,970)	(5,941)
Closing net book amount	<u>3,173</u>	<u>5,097</u>

10. Payables	2017 \$	2016 \$
Accounts payable	224,221	203,205
Accrued expenses	137,032	-
Other Payables	277,418	-
GST Payable	47,224	9,444
PAYG withholding payable	(12,475)	10,406
	<u>673,420</u>	<u>223,055</u>

11. Current provisions	2017 \$	2016 \$
Annual leave	31,813	24,504
	<u>31,813</u>	<u>24,504</u>

12. Unearned Revenue	2017 \$	2016 \$
<i>Government grants:</i>		
Commonwealth reciprocal multi-year program funding	-	-
Commonwealth one-off specific funding	62,434	289,178
	<u>62,434</u>	<u>289,178</u>

	2017 \$	2016 \$
13. Contributions received in advance		
Key Staples Program tied funding	208,393	347,072
State contributions:		
<i>Reciprocal funding for additional food procurement</i>	20,937	104,707
	<u>229,330</u>	<u>451,779</u>

	2017 \$	2016 \$
14. Non-Current provisions		
Long Service leave	23,444	-
	<u>23,444</u>	<u>-</u>

	2017 \$	2016 \$
15. Retained Earnings		
Balance - 1 July	980,030	1,004,653
Surplus for the year	104,309	(24,623)
Balance - 30 June	<u>1,084,339</u>	<u>980,030</u>

16. 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, Food Bank 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 \$577,113 (2016: \$565,789) for operations and \$214,909 (2016: \$196,930) in IT contributions.

State and Territory Foodbanks contributed additional funds to the Key Staples Program in 2017 in order for Foodbank Australia to procure additional food products on their behalf. Foodbank NSW & ACT Limited received \$116,901 (2016: \$268,972) in additional food products. Foodbank Victoria Limited received \$0 (2016: \$2,520) in additional food products. Foodbank Queensland Limited received \$783,889 (2016: \$520,460) in additional food products. Foodbank of Western Australia Incorporated received \$13,970 (2016: \$126,624) in additional food products. Foodbank of South Australia Incorporated received \$74,382 (2016: \$111,263) in additional food products. Foodbank Northern Territory received \$9,241 (2016: \$3,490) in additional food products.

Foodbank paid \$31,632 (2016: \$86,029) to Geoff Starr for his services as acting Chief Executive officer during June 2016 to August 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 \$57,498 (2016: \$4,580) to Foodbank NSW & ACT for assistance in general finance management, bookkeeping and financial reporting.

During the year, the company paid \$41,379 (2016: \$55,124) 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.

17. 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 nine members (2016 - six members).

18. Directors' Remuneration

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

19. Additional Company Information

Principal Registered Office and Principal Place of Business

Level 3
11 Julius Avenue
North Ryde NSW 2113

The company had 9 employees at the end of the financial year (2016: 4).

20. Notes To The Statement Of Cash Flows

	2017	2016
	\$	\$
<i>Reconciliation Of Cash Flows From Operating Activities</i>		
Surplus (Deficiency) for the year	104,309	(24,623)
Depreciation	3,514	5,941
Net (Gain) on disposal of Property, Plant & Equipment	(900)	-
Adjustments for:		
<i>(Increase) in receivables</i>	<i>(265,784)</i>	<i>(55,271)</i>
<i>(Increase) in other assets</i>	<i>15,026</i>	<i>(2,984)</i>
<i>Increase/(decrease) in payables</i>	<i>450,365</i>	<i>134,661</i>
<i>(Decrease)/ Increase in unearned revenue</i>	<i>(226,744)</i>	<i>(40,822)</i>
<i>Increase in contributions received in advance</i>	<i>(222,449)</i>	<i>142,507</i>
<i>Increase/(decrease) in provisions</i>	<i>30,753</i>	<i>6,682</i>
Net cash flows (used in)/provided by operating activities	<u>(111,910)</u>	<u>165,791</u>

21. Contingencies

Foodbank Australia had no contingent assets or liabilities at 30 June 2017 (2016: nil).

22. Commitments

Foodbank Australia had no commitments at 30 June 2017 (2016: nil).

23. Subsequent Events

There are no subsequent events to report.

24. 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 2017.

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.

	2017	2016
	\$	\$
Result of fundraising appeals		
Gross proceeds from fundraising appeals (includes donations & product-tied contributions)	1,568,447	1,147,510
Less: Direct fundraising costs	(5,921)	(4,139)
Net surplus - public fundraising appeals	<u>1,568,447</u>	<u>1,143,371</u>
Application of net surplus obtained from fundraising appeals		
Distributions (largely expenditures on food supply)	1,568,447	1,143,371
Administration expenses	-	-
	<u>1,568,447</u>	<u>1,143,371</u>
Surplus from fundraising appeals	<u>-</u>	<u>-</u>

In addition to the cash donations received above, Foodbank Australia has received food contributions from its national food industry partners throughout the year. In addition to the food collected by State & Territory Foodbanks at the local level, the volume of food received by the company from national donors was:

	2017	2016
	Kilograms	Kilograms
Supermarkets	3,656,613	2,946,732
National Manufacturers / Producers	14,723,412	14,045,423
Key Staples Program & Campaigns	3,527,290	3,489,090
	<u>21,907,315</u>	<u>20,481,245</u>