



LEAD Loddon Murray

Annual Report 2021

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Chair's Report

As we move further into 2022, we are seeing our region seemingly emerging from the direct impacts of the pandemic that has held us all down for the past two years, which proved to be two of the most difficult years we have experienced in our lifetimes.



Our program and organisation has not been immune from those impacts, and there is no doubt that 2021 had its challenges as we experienced the most significant year of lockdowns, restricted opportunities to get together, and also economic impacts. But we are proud that we remain a viable and vital part of the future for the communities across our region.

We have experienced some turnover on the Board as the challenges of our changed ways of working, living and playing have taken their toll. I thank those who moved on from the Board during the 2021 year, Stephen Dickins, Barry Floyd, Samantha Hilliard, who all left as at the AGM in May, and Susan Hughes, Moustafa Al-Rawi, Sandra Hamilton and Shannon Burdeu who all left due to changes in their circumstances.

But with those changes comes new opportunity, and along with myself, Jenny Stillman and Ric Raftis, who all joined at the AGM, we also welcomed Nicky Haslinghouse, Adrian McMahon, Mark Costello and more recently, Sharon Morrison to the Board.

The new Board is now settling into place, and we will soon be having a fresh look at the strategic direction of our organisation so that we can set a strong path for the future in this changed environment.



The staff team has also had its changes and challenges, but we are grateful for the focus of our LMCLP Program Director Jude and our EO Keith in keeping us on track and ensuring we delivered our core program in 2021, along with a revised and reinvigorated approach that we are sure will pay dividends into the future. We remain proud that our program remains one of the leading Community Leadership Development Programs in the state.

We are fortunate also to have many longstanding program partners and sponsors, from the State Government of Victoria through Regional Development Victoria, to the many local governments of the region, to semi-government and community-based sponsors; you are all helping to ensure that our program can continue to build the future of leadership across the region. Thank you all for your continued unwavering support.

We look forward to the future and celebrating our 25th year of the LMCLP in 2023, and we are sure we will see the program, and our organisation, continue to go from strength to strength for many years to come.

Colleen Condliffe

COLLEEN CONDLIFFE

CHAIR, LEAD LODDON MURRAY



Executive Officer's Report

Just when we thought 2020 was a challenging year, along came 2021 to let us know that there was still more to go –we had little idea of what was ahead of us coming into the year, when expectations were that we were beginning to step out of the shadows and get back to what we had previously considered as 'normal'.



Pleasingly, throughout a year that had more days of lockdown and many restrictions on gatherings and movement, our focus stayed resolutely on delivering a revamped and renewed core program that was based on more intensive in-person retreats, and overall, I feel we delivered. Massive thanks and congratulations must go to Jude Hannah in her role as LMCLP Program Director for how she maintained the focus on the program participants and delivered a program of high quality. Thanks also to Paige Dickons who stepped up from being a casual support to becoming our Business Support Officer, her role in organising the logistics throughout the year cannot be overstated.

The financial result from 2021 is not what we wanted or expected to produce. A number of impacts from the previous year came to bear and, combined with a decision to invest in delivering a program that took a more deliberate development path that included more program days that involved overnight stays, we have ended where we are. In 2022 we are focused on a number of initiatives that are aimed at reducing costs, including running the organisation with a lower FTE, and moving to a remote working environment, as well as a review of the costs of the program, and we are determined through that to deliver a much-improved outcome for the year.



The development of our core program was aided by the deep knowledge and input from Leah Sertori, and the participation of many guest presenters and speakers –many of them from the Graduate Network of our program. To be able to call on such skills is a significant contributing factor to us being able to continually develop our program –one that we are, I feel, quite rightly proud of as being a leader in the development of community leaders.

Of course, we also had the ongoing support of our base of sponsors through the year, they remained steadfast, supportive and understanding of the challenges we faced through the year and understanding of how hard the team worked to deliver another program year successfully.

Throughout the year I had excellent support and guidance from our Board of Directors again, and I thank them all for their input and dedication. The time that they give as volunteer directors is invaluable.

Before closing, I have to give a shout-out to the 2021 program participants, who are now graduates and part of the network of 550+ leaders across the region. Your willingness to remain flexible and work with us when times got tough is testament to who you are as people, and the difference you will all make in your communities into the future.

Our core purpose and vision stays true, and we look forward to continuing to work with program participants, graduates, partners and sponsors to build inspired, capable leadership for self-determined rural and regional communities

KEITH MACQUEEN
EXECUTIVE OFFICER,
LEAD LODDON MURRAY

Treasurer's Report

Unfortunately, a number of unexpected financial issues that arose relatively late in the year have resulted in a loss for 2021 of \$60,455.



Some of these issues were related to the prior year, but as those accounts were already closed off and reported, the impacts were on the 2021 final result

The key points to note in relation to the financial performance in 2020 include:

- Our total revenue in 2021 was \$376,444, down significantly on the 2020 level due to finalisation of a number of programs (Leading Excellence Maryborough, Power to the People and ADAPT), meaning reduced grant income, partly due to a reduction in the annual LMCLP support from RDV due to their need to tighten expenditure through the pandemic. Importantly, our sponsorship for the core LMCLP remained in-line with previous years. We also did not have access to the ATO Cash Flow Boost as was the case in 2020.
- Overall expenditure was reduced, with employee expenses down through reduction of FTE, although there was higher expenditure on the core LMCLP as the updated program moved to a number of multiple-day retreat structure.
- Our bank balances at December 31 came to a total of \$133,533, with a number of sponsorships still to be received as at the close of the accounts, and the final acquittal funding



from RDV still to be received.

- The financial position of the organisation throughout 2021 remained strong and cashflow was managed to ensure we met our obligations when they were due.
- The Board of Management has no concerns as to the ongoing viability of the organisation and are confident that changes that have been put in place during 2022 will ensure a strong result at the end of the year.
- These changes include; a lower FTE for 2022 and the organisation moving to a fully remote working environment. We will also see an uplift in the amount of financial support for 2022 from RDV.

The board has continued their prudent oversight of the organisation's financial sustainability, performance, and responsibilities. Financial policies were reviewed as required throughout the year and appropriate changes put in place.

The organisation's accounts have been independently audited by AASB and a full financial report is included with this Annual Report.

The Board of Management continues to monitor financial performance and will closely manage the potential funding risks associated with our key funding through State Government grants. We have agreed to a variation and extension of the current agreement to the end of 2022, and we continue to work with our fellow Community Leadership Programs across the state in negotiating with State Government for a new multi-year funding agreement to be instituted for 2023 and beyond.

MEGAN KREUTZER

TREASURER, LEAD LODDON MURRAY

LMCLP Program Director's Report

As program director of Loddon Murray Community Leadership Program I am humbled by the fact that I bear witness to the development of great leaders, those who are selfless, authentic, have a high moral, and ethical compass, including an awareness of self and others. What a privilege it is to be part of an organisation where we get to raise another up.



After 2020's disruption we had again fine-tuned our tools and were confident that we could roll out an immersive community leadership program, for the first time, planning five, three-day retreats with zoom sessions pre and post each retreat. As a graduate of the program, I have seen the value of the of increasing the number of retreats as opposed to single day visits to communities. The acceleration of camaraderie within the group has been quite profound. The ability to sit with the topics and explore greater conversations with each other has also been beneficial for the participants in 2021.

We were not void of the effects of this pandemic, but we did manage to have only one retreat canceled due to lockdowns and we pivoted quickly and took our retreat online. We are greatly appreciative of the way our speakers and workshop facilitators could adapt from in person sessions to online, making the online sessions highly engaging, informative, and delivering profound learnings.

2021 was the third year of stepping up to be the Program Director of the Loddon Murray Community Leadership Program, no one year is the same, no one year of participants are the same. What continues to ring true is that this program that has been in existence for 24 years and was built with the intent of developing Community Leaders that



could step up and take leadership roles in our communities. We have not deviated from this mission; we have in fact evolved and grown. We are still a program that delivers grassroots community leadership learning, we are non-discriminatory, and we embrace that fact that diversity is a big part of the key success of this program.

As we draw the curtain closed on another LMCLP year, I want to thank Keith MacQueen, Executive Officer and Paige Dickons Business Support Officer from LEAD Loddon Murray who threw themselves into the year and not only supported me, but LMCLP and our participants. They hold the framework of this organisation together allowing me to be front and centre with the program and the participants.

To Leah Sertori, Sertori Consulting for her leadership wisdom, brilliant facilitation skills and ongoing support of this great program, the LEAD Loddon Murray Board for their dedication, our profound speakers, facilitators, our generous graduate network, this year's mentors and last and by no means least our sponsors, without them and their generous support this program would not be possible.

Thank you again it has been my honour to support and guard over this incredible program and development of wonderful human beings.

JUDE HANNAH

**PROGRAM DIRECTOR, LODDON MURRAY
COMMUNITY LEADERSHIP PROGRAM**

Financial Statements

For the Year Ended 31 December 2021

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Lead Loddon Murray Inc.

Committee of Management Report

Your Committee of Management present their report on the Financial Accounts for the year ended 31 December 2021.

COMMITTEE OF MANAGEMENT

The following persons held office as Committee Members of LEAD Loddon Murray Inc. during the period of this report:

C. Condliffe (Chair)	M. Kreutzer (Treasurer)
J. Stillman (Deputy Chair)	S. Hamilton
R. Raftis	A. Place
M. Costello (appointed November 2021)	S. Burdeau (appointed June 2021)
A. McMahon (appointed September 2021)	N. Haslinghouse (appointed September 2021)
M. Al-Rawi (resigned September 2021)	R. Stephenson (Leave of Absence November 2021- February 2022)
B. Floyd (resigned May 2021)	S. Hughes (resigned August 2021)
S. Dickons (resigned May 2021)	S. Hillard (resigned May 2021)

PRINCIPAL ACTIVITIES

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

To develop leaders for vibrant and sustainable communities across Central and North-West Victoria by engaging, encouraging, and empowering members of the community in leadership roles.

SIGNIFICANT CHANGES

On 11 March 2020, the World Health Organisation (WHO) declared the Coronavirus Disease (COVID-19) a pandemic. Following the declaration, the Australian Government enforced bans on all non-essential travel and various levels of community lockdowns and forced closures throughout specific economic sectors, with the heaviest of these restrictions commencing on 25 March 2020. The financial market reactions and community lockdowns are expected to have significant economic and social consequences which will directly affect both the current and future operations as well as current and future financial results of the Association.

At the date of this report, the Committee is aware of the financial impact the COVID-19 pandemic has had on the reported financial position and performance of the Association for the year ended 31 December 2021. The Committee is wholly of the opinion that the Association will continue as a going concern.

The rapid and ongoing nature of the changing economic and social conditions due to the COVID-19 pandemic makes the measurement of their impact impossible to determine and report.

There were no other significant changes in the nature of these activities during the period.

OPERATING RESULT	2021 \$	2020 \$
Comprehensive Result For the Year	(60,455)	32,325

Signed on behalf of the Committee of Management.



COMMITTEE MEMBER

Colleen Condliffe



COMMITTEE MEMBER

Megan Kreutzer

Dated this 8th day of April 2022.

Lead Loddon Murray Inc.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
Revenue	(2)	376,444	511,038
Employee Expenses	(3)	(235,318)	(282,910)
Depreciation	(4)	(25,279)	(25,726)
Project Costs	(5)	(119,910)	(122,461)
Administration and Occupancy Costs	(6)	(54,386)	(46,141)
Finance Costs		(2,006)	(1,475)
		<hr/>	<hr/>
Net Result for the year		(60,455)	32,325
		<hr/> <hr/>	<hr/> <hr/>
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
		<hr/>	<hr/>
Comprehensive Result For the Year		(60,455)	32,325
		<hr/> <hr/>	<hr/> <hr/>
Total Comprehensive Income Attributable to the Members of the Association		(60,455)	32,325
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

Lead Loddon Murray Inc.

Statement of Financial Position

As at 31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	(7)	133,533	221,019
Trade & Other Receivables		78,342	98,798
Other Assets	(8)	-	28,433
Security Deposits		1,517	1,517
		<u>213,392</u>	<u>349,767</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	(9)	3,258	3,281
Right of Use Assets	(10)	40,181	8,695
		<u>43,439</u>	<u>11,976</u>
TOTAL NON-CURRENT ASSETS		<u>43,439</u>	<u>11,976</u>
TOTAL ASSETS		<u>256,831</u>	<u>361,743</u>
CURRENT LIABILITIES			
Trade & Other Payables	(11)	19,367	39,330
Provisions	(12)	18,930	11,851
Other Liabilities	(13)	118,112	182,809
Lease Liabilities	(14)	20,894	6,609
		<u>177,303</u>	<u>240,599</u>
TOTAL CURRENT LIABILITIES		<u>177,303</u>	<u>240,599</u>
NON-CURRENT LIABILITIES			
Provisions	(12)	2,727	2,541
Lease Liabilities	(14)	22,955	4,302
		<u>25,682</u>	<u>6,843</u>
TOTAL NON-CURRENT LIABILITIES		<u>25,682</u>	<u>6,843</u>
TOTAL LIABILITIES		<u>202,985</u>	<u>247,442</u>
NET ASSETS		<u>53,846</u>	<u>114,301</u>
EQUITY			
Retained Earnings		53,846	114,301
		<u>53,846</u>	<u>114,301</u>
TOTAL EQUITY		<u>53,846</u>	<u>114,301</u>
Commitments for Expenditure	(15)		
Contingent Liabilities and Contingent Assets	(16)		

The accompanying notes form part of these financial statements.

Lead Loddon Murray Inc.

Statement of Changes in Equity

For the Year Ended 31 December 2021

	<i>Retained Surplus</i> \$	<i>TOTAL</i> \$
Balance at 1 January 2020	81,976	81,976
Net Current Year Surplus	32,325	32,325
Other Comprehensive Income	-	-
Balance at 31 December 2020	<u>114,301</u>	<u>114,301</u>
Net Current Year Surplus	(60,455)	(60,455)
Other Comprehensive Income	-	-
Balance at 31 December 2021	<u><u>53,846</u></u>	<u><u>53,846</u></u>

The accompanying notes form part of these financial statements.

Lead Loddon Murray Inc.

Statement of Cash Flows

For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Donations, Grants, Philanthropy and Sponsorships		360,636	435,558
Receipts From Government - COVID-19		-	51,680
Payments to Suppliers		(194,670)	(176,135)
Payments for Employees		(228,053)	(289,967)
Interest Paid		(1,595)	(1,475)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	(19)	(63,682)	19,661
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Property, Plant & Equipment		(57,662)	(3,663)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(57,662)	(3,663)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of principal elements of lease payments		32,938	(22,713)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		32,938	(22,713)
NET INCREASE/(DECREASE) IN CASH HELD		(88,406)	(6,715)
Cash and Cash Equivalents at Beginning of Period		221,019	227,734
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(19)	132,613	221,019

The accompanying notes form part of these financial statements.

Lead Loddon Murray Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2021

1. Statement of Significant Accounting Policies

The financial statements cover LEAD Loddon Murray Inc. as an individual entity. LEAD Loddon Murray Inc. is an Association incorporated and domiciled in Victoria.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053:

Application of Tiers of Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board.

The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historically costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Reporting Entity Report

The report includes all the controlled activities of LEAD Loddon Murray Inc.

(b) Rounding Of Amounts

All amounts shown in the financial statements are expressed to the nearest \$1.

(c) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the Statement of Cash Flows presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as current borrowings in the Statement of Financial Position.

(d) Receivables

Receivables and other debtors include amounts due from members as well as receivables from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified non-current assets.

Receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any provision for impairment.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed by the Association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the profit or loss during the financial period in which they are incurred.

Lead Loddon Murray Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2020

1. Statement of Significant Accounting Policies (continued)

(f) Fair Value of Assets and Liabilities

The Association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Association would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the entity at the reporting date (i.e. The market maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use, or sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Association's own equity instruments (excluding those related to share-based payments) arrangements may be valued, where there is no observable market price in relation to the transfer of an identical or similar financial instrument, by reference to observable market information where identical or similar instruments are held as assets. Where the information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(g) Depreciation

The depreciable amount of all fixed assets, including buildings, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The following table indicates the depreciation rates of non current assets on which the depreciation charges are based.

Class of Fixed Asset	Rate
Computer Equipment	50%
Furniture & Equipment	25% to 50%

(h) Impairment of Assets

At the end of each reporting period, the Association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost of disposal and value-in-use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Association would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(i) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(j) Payables

Payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Lead Loddon Murray Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2021

1. Statement of Significant Accounting Policies (continued)

(k) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(l) Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

(m) Employee Benefits

Short-term employee benefits

Provision is made for the Association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association's obligations for short-term employee benefits such as wages and salaries are recognised as a part of the current trade and other payables in the Statement of Financial Position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments are measured at present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to end-of-reporting-period market yields or Government bonds that have maturity dates approximating the terms of the obligations. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the exchanges occur.

On-Costs

Employee benefit on-costs, such as superannuation and workers compensation are recognised together with the provisions for employee benefits.

Superannuation

Contributions to contribution superannuation plans are expensed when incurred.

(n) Leases

Under AASB 16 *Leases*, at inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Association, where the Association is a lessee. However, all contracts that are classified as short-term (lease with remaining lease term of 12 months or less) and leases of low value (where the value of the underlying asset when new is less than \$10,000) are recognised as operating expenses on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association used the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and any impairment losses.

Lead Loddon Murray Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2021

1. Statement of Significant Accounting Policies (continued)

(o) Income Recognition

Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income for Not-for-Profit Entities*. Income is recognised as revenue to the extent it is earned. Unearned income at reporting date is reported as income in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Grants

Grants are recognised as income when LEAD Loddon Murray Inc. gains control of the underlying assets in accordance with AASB 15. For reciprocal grants, LEAD Loddon Murray Inc. is deemed to have assumed control when the performance has occurred under the grant. For non-reciprocal grants, LEAD Loddon Murray Inc. is deemed to have assumed control when the grant is received or receivable.

Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial asset.

Other Income

Other income is recognised as revenue when the cash is received.

Scholarship & Participant Fees

The Association receives scholarships from various organisations, and participant fees from students participating in various leadership programs each year. When the Association receives these amounts before the program is completed, it recognises a liability for the amount. The Association recognises income in profit or loss as and when the Association satisfies its obligations under terms of the agreement.

(p) Economic Dependence

The Association is dependant upon the ongoing receipt of State Government grants to ensure the ongoing continuance of its programs. This funding which has been provided since 2012.

The Committee has no reason to believe that this financial support will not continue.

Lead Loddon Murray Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2021

2. Revenue	2021	2020
	\$	\$
Grant Revenue	170,667	240,000
Sponsorships	182,827	163,779
ATO Cash Flow Boost	-	51,680
Other Revenue	22,950	55,579
	<u>376,444</u>	<u>511,038</u>

2a. Disaggregated Revenue

The Association has disaggregated revenue into various categories in the following table.

Programs

Loddon Murray Leadership Program	306,163	363,779
Power to the People	47,331	16,025
ADAPT Community Leaders	22,900	38,832
Leading Excellence Maryborough	-	39,443
ATO Cash Flow Boost	-	51,680
Other	50	1,279
Total Program Revenue	<u>376,444</u>	<u>511,038</u>

3. Employee Expenses

Salaries & Wages	215,368	258,194
Superannuation	19,950	24,716
TOTAL EMPLOYEE EXPENSES	<u>235,318</u>	<u>282,910</u>

4. Depreciation

Computer Equipment	3,425	3,487
Furniture & Equipment at Cost	195	-
Right of Use Assets	21,659	22,239
TOTAL DEPRECIATION	<u>25,279</u>	<u>25,726</u>

5. Project Costs

Community Leadership Program	82,250	64,722
Leading Excellence Maryborough Program	-	16,752
Other Community Projects and Events	37,660	40,987
TOTAL PROJECT COSTS	<u>119,910</u>	<u>122,461</u>

6. Administration and Occupancy Costs

Accountancy, Audit and Insurance	18,813	19,410
Computer and Communication Expenses	17,023	12,593
Office Supplies	8,687	2,648
Other Administration Expenses	9,863	11,490
TOTAL PROJECT COSTS	<u>54,386</u>	<u>46,141</u>

Lead Loddon Murray Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2021

7. Cash and Cash Equivalents	2021 \$	2020 \$
Cash at Bank	133,533	221,019
TOTAL CASH & CASH EQUIVALENTS	133,533	221,019

8. Other Assets

Prepaid Expenses and Accrued Income	-	28,433
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9. Property, Plant and Equipment

Computers Equipment at Cost	16,444	14,700
less Accumulated Depreciation	<u>(13,835)</u>	<u>(11,419)</u>
	2,609	3,281
Furniture & Equipment at Cost	4,044	3,200
less Accumulated Depreciation	<u>(3,395)</u>	<u>(3,200)</u>
	649	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	3,258	3,281

Movement in the carrying amounts for each class of Property, Plant and Equipment between the beginning and the end of the current and prior financial years.

	Computer Equipment \$	Furniture & Equipment \$	Total \$
Balance at 1 January 2020	3,105	-	3,105
Additions	3,663	-	3,663
Disposals	-	-	-
Depreciation Expense	<u>(3,487)</u>	-	<u>(3,487)</u>
Balance at 1 January 2021	3,281	-	3,281
Additions	3,673	844	4,517
Disposals	(920)	-	(920)
Depreciation Expense	<u>(3,425)</u>	<u>(195)</u>	<u>(3,620)</u>
Balance at 31 December 2021	2,609	649	3,258

Lead Loddon Murray Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2021

10. Right of Use Assets

The Association's lease portfolio includes equipment and buildings. The lease terms for each type of lease arrangement are:

Class of Lease	Lease Term
Equipment	5 Years
Building	3 Years

Options to extend or terminate

The options to extend or terminate are contained in the Association's property leases. There were no extension options for the equipment lease. These clauses provide the Association opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Association. The extension options or termination options which were probable to be exercised have been included in the calculation of the Right of Use Asset.

(a) AASB 16 related amounts recognised in the Statement of Financial Position	2021	2020
Right of Use Assets	\$	\$
Leased Building	53,145	55,238
Accumulated Depreciation	(14,763)	(52,169)
	38,382	3,069
Leased Equipment	15,309	15,309
Accumulated Depreciation	(13,510)	(9,683)
	1,799	5,626
TOTAL RIGHT OF USE ASSETS	40,181	8,695

	Leased Building	Leased Equipment	Total
	\$	\$	\$
Balance at 1 January 2020	21,481	9,453	30,934
Depreciation Expense	(18,412)	(3,827)	(22,239)
Balance at 1 January 2021	3,069	5,626	8,695
Additions	53,145	-	53,145
Depreciation Expense	(17,832)	(3,827)	(21,659)
Balance at 31 December 2021	38,382	1,799	40,181

(b) AASB 16 related amounts recognised in the Statement of Profit or Loss	2021	2020
Depreciation Charge related to Right of Use Assets	21,659	22,239
Interest Expense on Lease Liabilities	1,980	1,475
	23,639	23,714

11. Trade & Other Payables

Trade Payables	1,024	14,530
Amounts Payable to ATO	18,343	18,495
Accrued Expenses	-	6,305
TOTAL TRADE & OTHER PAYABLES	19,367	39,330

12. Provisions

Current		
Employee Benefits (refer Note 12a)	18,930	11,851
Non Current		
Employee Benefits (refer Note 12a)	2,727	2,541
TOTAL PROVISIONS	21,657	14,392

Lead Loddon Murray Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2021

12. Provisions (continued)

	2021 \$	2020 \$
12a. EMPLOYEE BENEFITS		
Current		
Annual Leave	18,930	11,851
	<u>18,930</u>	<u>11,851</u>
Non Current		
Long Service Leave at present value	2,727	2,541
	<u>2,727</u>	<u>2,541</u>
TOTAL EMPLOYEE BENEFITS	<u>21,657</u>	<u>14,392</u>

13. Other Financial Liabilities

Current		
Grants and Scholarships in Advance	118,112	182,809
	<u>118,112</u>	<u>182,809</u>
TOTAL OTHER FINANCIAL LIABILITIES	<u>118,112</u>	<u>182,809</u>

If grants are enforceable and have sufficiently specific performance obligations in accordance with AASB 15, the amount received at that point in time is recognised as a contract liability until the performance obligations have been satisfied.

14. Lease Liabilities

Current		
Lease Liability	22,345	7,047
Unexpired Interest	(1,451)	(438)
	<u>20,894</u>	<u>6,609</u>
Non-Current		
Lease Liability	23,522	4,500
Unexpired Interest	(567)	(198)
	<u>22,955</u>	<u>4,302</u>
TOTAL LEASE LIABILITIES	<u>43,849</u>	<u>10,911</u>

15. Commitments for Expenditure

As at balance date, LEAD Loddon Murray Inc. had no contracted Capital commitments.

As at balance date, LEAD Loddon Murray Inc. had no other contracted loan or lease commitments, other than those disclosed at Note 13.

16. Contingent Liabilities and Contingent Assets

The Committee of Management were not aware on any contingent assets or liabilities as at 31 December 2021.

17. Events After Balance Sheet Date

The COVID-19 pandemic has created economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Association at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with certainty the potential impact of the pandemic after the reporting date on the Association, its operations, its future results and financial position.

There have been no other events that would materially effect the Financial Report at balance date.

Lead Loddon Murray Inc.

Notes to the Financial Statements

For the Year Ended 31 December 2021

18. Related Party Transactions

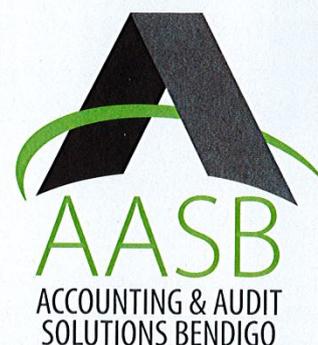
Transactions between related parties are on normal commercial terms and under conditions no more favourable than those available to other parties unless otherwise stated.

No Committee Members have entered into any material contract with the Association since the end of the previous financial year and there were no material contracts involving Committee Members interests subsisting at year end. There were no loans to Committee Members.

19. Cash Flow Information

For the purpose of the Statement of Cash Flows, cash includes cash on hand, in banks and investments. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2021 \$	2020 \$
Cash & Cash Equivalents - Operational Funds (refer Note 6)	<u>133,533</u>	<u>221,019</u>
TOTAL CASH	<u>133,533</u>	<u>221,019</u>
Reconciliation of Cash Flow from Operations with Profit from Operations		
Profit from Operations	(60,455)	32,325
Non-Cash Flows in deficit:		
Cash flows excluded from profit attributable to operating activities		
- Property, Plant and Equipment Depreciation Expense	3,620	3,487
- Right of Use Assets Depreciation Expense	21,659	22,239
Changes in Assets and Liabilities:		
- (Increase)/Decrease in Trade & Other Receivables	20,456	16,306
- (Increase)/Decrease in Other Assets	28,433	(1,239)
- (Increase)/Decrease in Deposits	-	(1,517)
- Increase/(Decrease) in Trade & Other Payables	(19,963)	(6,016)
- Increase/(Decrease) in Provisions	7,265	(7,057)
- Increase/(Decrease) in Other Liabilities	<u>(64,697)</u>	<u>(38,867)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(63,682)</u>	<u>19,661</u>

Independent Audit Report to the Members of**LEAD LODDON MURRAY INC.****Unqualified Opinion**

We have audited the accompanying financial report, being a general purpose financial report, of the LEAD Loddon Murray Inc., which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes comprising a summary of the significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position of the Association.

In our opinion, the financial report of the LEAD Loddon Murray Inc. has been prepared in accordance with the Div. 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- i. Giving a true and fair view of the Association's financial position as at 31 December 2021 and of its performance for the year ended on that date; and
- ii. Complying with Australian Accounting Standards and Div. 60 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibility under those standards is further described in the *Auditors Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the code.

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

Information Other Than the Financial Report and Auditor's Report Thereon

The Committee of the Association is responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon. 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 and, in doing so, 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

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ACCOUNTING & AUDIT SOLUTIONS BENDIGO

Responsibilities of the Committee for the Financial Report

The Committee of the Association are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Act 2012*, and for such internal control as the directors determine necessary 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.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis on this financial report. As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by the Committee.
- Conclude on the appropriateness of the Committees' 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 Association's ability 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 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 Association to cease or continue as a going concern.

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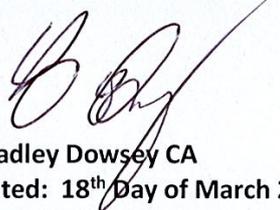
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ACCOUNTING & AUDIT SOLUTIONS BENDIGO

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report presents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ACCOUNTING AND AUDIT SOLUTIONS BENDIGO



Bradley Dowsey CA

Dated: 18th Day of March 2022

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LEAD

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