



Foodbank NSW & ACT

Financial Report

for year ending 30 June 2022

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Foodbank NSW & ACT Limited

ABN 22 056 422 407

Financial report - 30 June 2022

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Introduction to the financial report

Throughout the year under review, Foodbank NSW & ACT Limited (FBNA) has continued to adapt and change to the growing challenges arising from the COVID-19 pandemic while increasing our capacity to assist those in need. It has been another year of unprecedented challenges for FBNA and the people of NSW and the ACT. This has required innovation and significant adjustments to the way FBNA provides relief.

FBNA's ability to meet the increasing need in the community during the most challenging of times, has been recognised with an increase in financial support from the public, the NSW and Commonwealth Governments. Operating costs have increased in response to the continually changing environment. FBNA is conscious of the need to ensure we are able to meet the increasing demand for food and grocery relief into the future. The accounts should be read in this context.

Overall, in the year ended 30 June 2022, FBNA distributed the equivalent of 26,202,900 meals (13,791,000 kilograms of food and grocery items) to NSW & ACT charity partners and schools. An additional 500,000 kilograms was distributed to interstate Foodbanks, making a total of 14,291,000 kilograms distributed for the year which equates to approximately \$85 million of food relief.

The total food distributed included 196,000 ready-made hampers of both food and personal care products to our charity partners and schools, an increase of 108,000 hampers from the prior year.

The COVID-19 pandemic has prolonged FBNA's operational challenges. Supply chain issues and shortages have made it increasingly difficult to source donated products which has resulted in the need to purchase more food to meet the growing number of people living with food insecurity. This year FBNA received 9,431,000 kilograms of food donations, a reduction of 11% from the prior year. This equates to a supply reduction valued at approximately \$7.14 million.

In summary, throughout the financial year, some of the major costs required to meet the challenges include:

- The need to provide more ready-made hampers of both food and personal care products;
- The slow return of corporate volunteers resulted in the need to hire additional temporary staff to cover the shortfall;
- Continued regular health checks on entry and increased COVID-19 cleaning across FBNA's operations;
- Increased stock, associated storage and warehouse leasing costs as capacity has been increased.

Despite all the challenges, FBNA continued to provide food to the increasing number of Australians living with food insecurity. FBNA's remains focussed on building our operational and financial capacity to meet the growing demand for food relief. This includes the establishment of an endowment fund to support ongoing growth in future years.

Directors' report

Your directors present the annual financial report of Foodbank NSW & ACT Limited ("FBNA") for the year ended 30 June 2022.

Directors

The following persons were Directors of FBNA during the financial year and to the date of this report:

Name	Date Appointed
Christine Feldmanis (Chair)	26 October 2016
John Hudson	13 August 2014
Larry Kavanagh	27 June 2017
Samantha Liston	19 November 2021
Paul Moulds	23 February 2015
Emma Peacock	19 November 2015
Peter Kelly	13 October 2011 (resigned 14 October 2022)

Principal activities

During the year the principal ongoing activities of FBNA consisted of:

- (a) sourcing by donation or purchasing food and related products from manufacturers, farmers/primary producers, retailers and distributors and developing partnerships with these suppliers;
- (b) distribution of food and grocery items to people in need, via a broad range of charitable and service organisations without regard to denomination; and
- (c) securing funds via donation and grants to acquire food to meet unsatisfied need.

Long term objectives

The long term objective of FBNA is to fight hunger in NSW and the ACT by providing quality food to our charity partners and schools for supply to people in need.

As a member of the Foodbank Federation covering Australia (delivering 70% of all food distributed to charities by food rescue organisations), we continue to feed the ongoing and increasing number of Australians who are living with food insecurity.

In undertaking this objective, we contribute to better environmental outcomes by diverting millions of kilos of edible food away from landfill.

Short term objectives

- (a) FBNA aims to provide over 24 million meals (13,300,000 kg of food) in FY2022-23
- (b) FBNA aims to supply a core range of staple products while minimising handling fees.
- (c) FBNA aims to have this core range of staple products always available.
- (d) FBNA will expand the ways that it funds its operations to broaden support to make FBNA more sustainable, resilient, and less dependent upon a single source of funding.
- (e) FBNA will strive to tell the compelling 'win / win' story of feeding people in need whilst reducing the environmental impact of edible food going to landfill, to the wider Australian public.
- (f) FBNA will look at innovative ways to continuously improve its operations.

Key strategies and activities for achieving objectives

To ultimately achieve our long term objective, and to meet the objectives set for FY2022/23, FBNA will:

- (a) Seek to better understand the underlying demand and where it comes from;
- (b) Maintain and improve ways to make more food available to more charity partners and through them to more people in need;
- (c) Maintain, improve and innovate the supply cycle from farmers, manufacturers, retailers and importers to charity partners and schools, ultimately to people in need with appropriate infrastructure and resources;
- (d) Actively seek funding from a wide range of potential sources that align with FBNA's values.

Measurement of performance

To achieve our objectives and strategies, FBNA will measure the effectiveness of the allocation of resources by:

- (a) formulating specific plans with regular progress updates;
- (b) ensuring staff members know what is expected of their role;
- (c) setting appropriate financial disciplines with measurable financial budget targets;
- (d) regularly comparing actual with targeted budget performance via monthly management reports.

Dividends

FBNA is prohibited by article 2.2 of its Constitution from distributing any of its income or property to its members by way of dividends or otherwise.

Review of operations

In the year ended 30 June 2022, FBNA received a total of 9.43 million kg (2021: 10.62 million kg) of donated food and grocery items from national and state manufacturers, farmers/primary producers, retailers and distributors. Of the total kilograms received, less than 1.1% was disposed of as landfill.

FBNA distributed a total of 13.79 million kg (2021: 11.92 million kg) of food and grocery items the equivalent of 26,201,000 meals to charity partners and schools in the year ended 30 June 2022. Of the total volume, 6.60 million kg (2021: 5.42 million kg) was distributed free-of-charge.

The net surplus for the year ended 30 June 2022 was \$9,941,668 (2021: \$3,431,899).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of FBNA other than those referred to in the financial statements or notes thereto.

Matters subsequent to the end of the financial year

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

- (a) FBNA's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) FBNA's state of affairs in future financial years.

Likely developments and expected results of operations

FBNA is embarking on creating an endowment fund to support ongoing growth in future years.

In addition, the Directors will continue to monitor and address issues such as natural disasters and other needs in the community and will support the management team in making operational decisions that ensure FBNA is assisting as many charity partners as possible.

Except as mentioned above, there are no likely developments or expected results of operations which are likely to materially affect the financial statements in future financial years.

Environmental regulation

FBNA is not subject to significant environmental regulation in respect of its principal activities.

Information on Directors

Christine Feldmanis BCom, MAppFin, FAICD, SFFINSIA, CPA, TFASFA, JP *Chair.*

Appointed a director in October 2016 and Chair in September 2022. Christine is the Chair of the Audit & Risk Committee of FBNA. Christine started her career in a chartered accounting firm and then continued a career in the finance industry for 30+ years. During that time, she worked with firms including Elders Finance, Bankers Trust and NSW TCorp – that spanned both the Government and private sectors. Christine now works as a professional non-executive director with public and private companies, government organisations and the not-for-profit sector. Christine is the independent chair of Bell Asset Management Ltd, and a non-executive director of OmniBridgeway Ltd, Hunter Water Corporation and Rabobank Australia Ltd.

John Hudson FCA. *Director.*

Appointed a Director in August 2014. John is a member of the Audit & Risk Committee of FBNA. John has been engaged in both the development and investment in real estate for over 30 years. This has included significant periods as the senior finance executive in a series of major independent property companies. Prior to ceasing full time executive roles, John was the Managing Director and Chief Executive Officer of Thakral Holdings Group for 10 years, a specialist hotel REIT with ancillary commercial and retail property together with residential development activities and over \$1 billion in assets. John is currently a Director or Investment Committee member of a number of private companies primarily related to property.

Larry Kavanagh GAICD. *Director.*

Appointed a director in June 2017. Larry is a member of the Workplace Health and Safety Committee of FBNA. Larry works for Coles as the General Manager of National Processing where he is responsible for developing and managing a sustainable supply strategy. Larry has spent his entire career working in the food industry in a variety of senior management roles. Prior to joining Coles Larry worked for Beak & Johnston in Sydney. Larry and his family emigrated to Australia in 2009 and prior to this Larry worked in various senior roles for the ABP Food Group.

Peter Kelly (resigned 14 October 2022) *Director.*

Appointed a director in October 2011 and Chairman in November 2016. Peter was the Chair of the Remuneration Committee of FBNA. He was also a member of the Audit & Risk Committee. Peter worked with global food company Nestle for 39 years. As a member of the senior management team, he led the Company's Corporate Affairs function and was responsible for Nestle Oceania's External Media, Government Relations and Consumer Services, and Legal teams. He was the Chair and Board Member of the Infant Nutrition Council; a Board Member of the Global Compact Network Australia. Peter is now an independent management consultant.

Information on Directors (continued)

Samantha Liston **BEC, MAICD.** *Director.*

Appointed a director in November 2021. Sam has more than 15 years' experience working with and advising executives, CEOs and Boards of publicly listed companies, Commonwealth and NSW government agencies on people and culture. She brings extensive experience in managing work health and safety, remuneration and people governance and compliance at the Board level. She was one of two executive sponsors leading an independent review by PwC of icare's governance, culture, and accountability (GAC). Her executive experience includes working with Chairs of the Board to create and execute their Board induction, development plans, skills matrixes and performance review programs as well as CEO succession and recruitment. Sam has industrial relations experience spanning 25 years working at both Federal and State levels. She has experience leading internal and external communications teams in the media and government sectors and has operational and crisis management communications experience.

Paul Moulds **AM, BA.** *Director.*

Appointed a director in February 2015. Paul has worked for over 25 years as an officer of The Salvation Army, where he holds the rank of Major. For 16 years he worked as Director of the Oasis Youth Support Network in inner Sydney, building a highly regarded and effective youth service for homeless and disadvantaged youth. In 2010 he was made a Member of the Order of Australia (AM) for services to homeless youth. Paul has also directed the social and community work of The Salvation Army for the Australian Eastern Territory and is currently developing innovative community programs and collaborative partnerships nationally for The Salvation Army. He is also a Board Member of Igniting Change, and is recognised for his expertise in the design of innovative social programs and his deep understanding of the needs of disadvantaged Australians.

Emma Peacock **BA (Comm), GAICD.** *Director.*

Appointed a director in November 2015. Emma brings over 20 years experience across Sustainability/ESG, Corporate Affairs, Stakeholder Engagement and Advocacy, working with some of the world's most recognised brands. She currently works for NSW Government as Head of Net Zero Economy for Investment NSW, helping the state to capture the jobs and investment generated as the world transitions to net zero emissions. Prior to this, she spent a decade leading Sustainable Business & Communications for Unilever Australia & New Zealand, where she built trust, drove change and managed risk to support Unilever's sustainable growth agenda. She is also an Advisory Board Member for climate-tech start-up Wollemi.io, a Market Advisory Panel Member for the Business Renewables Centre Australia and a Graduate of the Australian Institute of Company Directors.

Meetings of Directors

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director). During the financial year, 8 board meetings were held.

	Attended	Held
Peter Kelly (Chairman)	8	8
Christine Feldmanis	8	8
John Hudson	8	8
Larry Kavanagh	8	8
Samantha Liston	2	3
Paul Moulds	4	8
Emma Peacock	8	8

In addition to board meetings, FBNA also held meetings with the following sub-committees:
Audit & Risk Committee, Remuneration Committee and the Workplace Health and Safety Committee.

Insurance of officers

During the financial year, Foodbank Australia Limited on behalf of FBNA and the other state Foodbanks paid a premium in respect of a contract insuring the directors of FBNA, the company secretary, and all executive officers of FBNA against a liability incurred as such by 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.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of FBNA, or to intervene in any proceedings to which FBNA is a party, for the purpose of taking responsibility on behalf of FBNA for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of FBNA with leave of the Court under section 237 of the *Corporations Act 2001*.

Member's guarantee

FBNA is a company limited by guarantee. If FBNA is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting outstanding obligations of FBNA.

Number of primary members as at 30 June 2022 and 2021 are:

	2022	2021
Primary members (Directors)	7	6

In addition, number of charity and school members as at 30 June 2022 and 2021 are:

	2022	2021
Charity partners	891	722
School members	570	466
Total	1,461	1,188

Auditor's independence declaration

A copy of the auditor's independence declaration as required under sub division 60-C section 60-40a of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 8.

Auditor

KPMG continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors.



Christine Feldmanis *Chair*

Sydney

1 november 2022



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

To: the members of Foodbank NSW & ACT Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2022 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
1 November 2022

Foodbank NSW & ACT Limited

ABN 22 056 422 407

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This financial report covers Foodbank NSW & ACT Limited ("FBNA") as an individual entity.

Foodbank NSW & ACT Limited is a "not-for-profit" company limited by guarantee, domiciled in Australia. Its registered office and principal place of business is:

Foodbank NSW & ACT Limited
50 Owen Street
Glendenning NSW 2761

A description of the nature of the entity's operations and its principal activities is included in the directors' report on pages 3-7, which is not part of these financial reports.

The financial report was authorised for issue by the directors on 24 October 2022.

Statement of comprehensive income

For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Revenue from continuing operations			
Revenue from service fees	3	9,164,481	7,717,688
Cost of supply – purchased stock items only	4	(10,860,857)	(3,673,800)
		(1,696,376)	4,043,888
Government specific grants	5	17,539,033	5,836,763
Other operating income	6	721,220	523,172
		16,563,877	10,403,823
Less expenses from operating activities			
Distribution and warehouse		8,997,278	4,466,756
Marketing		86,133	101,284
Administration		757,537	604,520
Wages and employee entitlements		4,809,095	4,824,652
Depreciation and amortisation		936,612	922,188
Other		937,797	623,719
	7	16,524,452	11,543,119
Results from operating activities		39,425	(1,139,296)
Other income and expenses			
Donations		11,631,723	6,534,907
Other income		1,000	217,544
Other expenses		(1,758,703)	(2,202,482)
	8	9,874,020	4,549,969
Finance income	9	28,223	21,226
Net surplus		9,941,668	3,431,899
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		9,941,668	3,431,899

The above statement of comprehensive income should be read in conjunction with the accompanying notes and the introduction to the financial report.

Balance sheet

As at 30 June 2022

	Notes	2022 \$	2021 \$
ASSETS			
Current assets			
Cash	10	16,669,603	7,034,526
Cash grants	10	12,690,409	4,220,619
Receivables	11	260,672	289,015
Other current assets	12	2,764,110	1,254,591
Total current assets		32,384,794	12,798,751
Non-current assets			
Property, plant and equipment	13	13,825,469	14,358,579
Intangible assets	14	-	9,534
Total non-current assets		13,825,469	14,368,113
Total assets		46,210,263	27,166,864
LIABILITIES			
Current liabilities			
Deferred revenue	15	12,690,409	4,220,619
Payables	16	1,315,192	771,105
Lease liability	17	12,977	23,478
Provisions	18	280,861	302,825
Total current liabilities		14,299,439	5,318,027
Non-current liabilities			
Deferred revenue	19	3,000,000	3,000,000
Lease liability	20	32,649	22,521
Provisions	21	55,914	68,941
Total non-current liabilities		3,088,563	3,091,462
Total liabilities		17,388,002	8,409,489
Net assets		28,822,261	18,757,375
EQUITY			
Accumulated surplus	22	28,822,261	18,757,375
Total equity		28,822,261	18,757,375

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2022

	Notes	Retained earnings \$	Total equity \$
Balance at 1 July 2020		15,325,476	15,325,476
Results for the year		3,431,899	3,431,899
Other comprehensive income		-	-
Total comprehensive income for the year		3,431,899	3,431,899
Balance at 30 June 2021		18,757,375	18,757,375
 Balance at 1 July 2021		 18,757,375	 18,757,375
Results for the year		9,941,668	9,941,668
Other comprehensive income		-	-
Total comprehensive income for the year		9,941,668	9,941,668
Balance at 30 June 2022	22	28,699,043	28,699,043

Statement of cash flows

For the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from charity partners and schools		9,547,149	7,836,653
Receipts from Government		26,408,823	6,920,424
Receipts from donations		11,631,723	6,660,053
Receipts from other sources		73,287	187,940
Payments to suppliers and employees		(29,185,781)	(16,809,900)
Net cash inflow from operating activities	30	18,475,201	4,795,170
Cash flows from investing activities			
Payments for property, plant and equipment	13	(366,637)	(1,140,304)
Proceeds from sale of property, plant and equipment		1,000	45,455
Net cash (outflow) from investing activities		(365,637)	(1,094,849)
Cash flows from financing activities			
Payment of lease liabilities		(7,057)	(21,954)
Interest received		25,553	29,447
Interest paid		(4,697)	(4,352)
Net cash inflow (outflow) from financing activities		13,799	3,141
Net increase in cash and cash equivalents		18,123,363	3,703,462
Cash and cash equivalents at the beginning of the financial year		11,255,145	7,551,683
Cash and cash equivalents at end of year	10	29,378,508	11,255,145

The above statement of cash flows should be read in conjunction with the accompanying notes.

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1 Summary of significant accounting policies

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

(a) Reporting entity

Foodbank NSW & ACT Limited ("FBNA") is a "not-for-profit" company limited by guarantee. It is an income tax exempt charitable organisation domiciled in Australia that collects surplus, salvaged, donated food and grocery products and purchases from food manufacturers, distributors, farmers and retailers and distributes it via its charity partners, to people in need.

(b) Basis of preparation

The Tier 2 general purpose financial reports have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board, Corporations Act 2001 and the Australian Charities and Not-for-Profits Commission (ACNC) Act 2012.

These financial statements are the first general purposes financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year, the consolidated financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit & loss and other comprehensive income and cash flows of the company as a result of the change in the basis of preparation.

(c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods. FBNA 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.

(d) Revenue recognition

Revenue is recognised for the major business activities as follows:

(i) Service fees

A small service fee is charged for the storage, handling and distribution of product to FBNA's charity and school partners. Service fee revenue is recognised in accordance with *AASB 15 Revenue from Contracts with Customers* when the performance obligations are satisfied, that is when products are picked up from FBNA's distribution centre or delivered to the recipient.

(ii) Donations/Contributions

Revenue from donations and contributions are recognised in accordance with *AASB 1058 Income for Not-for-profit entities*. Due to the nature of donations and contributions, such items can only be recognised when FBNA gains control of the asset. The majority of donations and contributions have no enforceable or sufficiently specific performance obligations attached.

1 Summary of significant accounting policies (continued)

(d) Revenue recognition (continued)

(iii) Grants

Grants can be granted to FBNA with an enforceable, sufficiently specific obligation attached to the grant or without any enforceable, sufficiently specific obligation attached.

Where the grant has no enforceable or sufficiently specific performance obligations attached, AASB 1058 Income for Not-for-profit entities is applicable, and the grant is recognised when FBNA gains control of the asset.

Where there is an enforceable, sufficiently specific obligation attached to the grant, AASB 15 Revenue from Contracts with Customers is applicable. Revenue arising from the grant is recognised when performance obligations attached to the grant have been satisfied. Where funding has been received but performance obligations are not satisfied, the funding is recorded as deferred revenue in the balance sheet.

(iv) Interest income

Interest is recognised on an accrual basis, taking into account the effective yield on the financial asset.

(e) Income tax

FBNA is exempt from the payment of income tax under the provisions of Section 50-5 of the *Income Tax Assessment Act 1997*.

(f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that FBNA will not be able to collect all amounts due according to the original terms of the receivables.

(h) Inventories

Inventories comprise of both goods donated or salvaged at no cost and goods purchased to supplement the inventory available to meet the needs of charity partners.

As FBNA is a 'not-for-profit' entity, the purchased inventories held for distribution are carried at cost, whilst donated goods are not revalued.

Inventories are carried at the cost FBNA incurred to acquire the assets as at the reporting date.

(i) Property, plant and equipment

FBNA's accounting policy is to carry land and buildings at cost on acquisition less any accumulated depreciation and impairment losses.

As at 30 June 2022, land and building is carried at \$10,850,138 (2021: \$11,046,324) being the purchase price and other directly attributable costs associated with the purchase less accumulated depreciation on the building.

1 Summary of significant accounting policies (continued)

(i) Property, plant and equipment (continued)

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Plant and equipment that is donated is recognised at fair value, if that value is above \$20,000, in property, plant & equipment at the date of acquisition, with a non-cash donation recognised for the same amount.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Buildings	40 years
Plant and equipment	3–10 years

Capital work in progress, which represents additions to property, plant and equipment that have not yet been brought into use, is not depreciated. Additions are transferred into the above asset classes once they are brought into use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is FBNA's policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(j) Leased assets

AASB 16 *Leases* requires all leases to be accounted for 'on-balance sheet' by lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items.

At inception of a contract, an assessment is made on whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether:

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

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment. The right-of-use asset is assessed for impairment indicators at each reporting date.

1 Summary of significant accounting policies (continued)

(j) Leased assets (continued)

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

In subsequent periods, the lease liability is accounted for similarly to a financial liability using the effective interest method. The lease liability is remeasured whether there is a lease modification or a change in the lease term. Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

FBNA has elected to apply the exceptions to lease accounting for leases of low-value assets and short-term leases. For these leases, payments associated are expensed on a straight-line basis over the lease term.

(k) Intangible assets

Software

Software assets which have finite useful lives are measured at cost less accumulated amortisation.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of 5 years, from the date that they are available for use.

Software-as-a-service (SaaS) arrangements are service contracts providing the Company with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

(l) Deferred revenue

(i) Short-term deferred revenue

Short-term deferred revenue represents funding amounts received that are expected to be recognised as revenue within 12 months after the end of the reporting period. Amounts recorded in FBNA's short-term deferred revenue are usually grants received for a specific purpose whereby the conditions have not yet been met.

(ii) Long-term deferred revenue

Funding received that is not expected to be recognised as revenue within 12 months after the end of the reporting period. FBNA's long-term deferred revenue represents reciprocal grants with project durations that go beyond 12 months after the end of the reporting period.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to FBNA prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Employee benefits

(i) Short-term obligations

Liabilities for wages, salaries and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service. These liabilities are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

1 Summary of significant accounting policies (continued)

(n) Employee benefits (continued)

(ii) Long-term employee benefit obligations

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

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

(p) 'In-kind' provision of services to Foodbank NSW & ACT Limited

FBNA receives "in-kind" services from a number of individuals and organisations. FBNA does not recognise an expense and associated revenue for these 'in-kind' services in the financial report. In addition, as an accounting policy choice, FBNA has elected not to recognise volunteer services in accordance with AASB 1058 *Income for Not-for-profit entities*. FBNA's major 'in-kind' services received are disclosed in note 27.

2 Financial risk management

FBNA's activities expose it to market risk and credit risk.

(a) Market risk

(i) Cash flow and fair value interest rate risk

FBNA's main interest rate risk arises from its holdings of cash and term deposits. There is no material interest rate risk exposure on financial liabilities.

(ii) Price risk

Index	0.25% increase in interest rates		-0.25% decrease in interest rates	
	2022 \$	2021 \$	2022 \$	2021 \$
Cash and cash equivalents	14,684	2,798	(14,684)	(2,798)
Bank bills and term deposits	39,413	21,865	(39,413)	(21,865)
Effect on surplus	54,097	24,663	(54,097)	(24,663)

2 Financial risk management (continued)

Carrying values of the assets are as follows:

	2022 \$	2021 \$
Cash and cash equivalents	12,412,689	1,332,297
Bank bills and term deposits	16,947,323	9,922,848
	29,360,012	11,255,145

(b) Credit risk

Credit risk refers to the risk that counter-party will default on its contractual obligations resulting in financial loss to FBNA. FBNA has adopted the policy of only dealing with counter-parties that meet FBNA's investment criteria as a means of mitigating the risk of financial loss from defaults.

(c) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting date.

The net fair value of all financial assets and liabilities in the balance sheet approximates their carrying values.

3 Revenue

	2022 \$	2021 \$
From continuing operations		
Revenue from service fees	9,164,481	7,717,688

Service fees are generally charged to our charity partners and schools based on kilograms of product they withdraw from FBNA.

	2022 Kilograms	2021 Kilograms
Total kilograms distributed to:		
Charity partners and schools – charged	7,191,000	6,496,000
Charity partners and schools – free	6,600,000	5,421,000
Interstate foodbanks	500,000	887,000
	14,291,000	12,804,000

In 2022, average service handling fee per kilo was \$0.64 (2021: \$0.60)

4 Cost of supply - purchased stock

	2022 \$	2021 \$
Cost of purchased items distributed to charity partners and schools	10,860,857	3,673,800

	2022 Kilograms	2021 Kilograms
Total kilograms distributed:		
Purchased items	4,626,000	2,124,000
Donated items	9,665,000	10,680,000
	14,291,000	12,804,000

5 Government specific grants

	2022 \$	2021 \$
NSW Government: Transport Subsidy	558,942	558,942
NSW Government: School Breakfast 4 Health Program	815,553	367,204
NSW Government: COVID-19 Support	15,552,537	4,098,937
Commonwealth Government: Flood and COVID-19 Support	612,001	811,680
	17,539,033	5,836,763

6 Other operating income

	2022 \$	2021 \$
Freight recovery fees	247,933	215,522
Other operating income	473,287	307,650
	721,220	523,172

7 Operating expenses

	2022 \$	2021 \$
Distribution and warehouse expenses		
Charity partners and schools program support	685,358	37,204
Contractor expenses	3,108,883	1,098,281
Electricity	151,945	130,959
Freight expenses	3,122,483	2,016,094
Motor vehicle, truck and forklift	414,916	336,224
Repairs and maintenance	285,698	203,708
Warehouse leasing fees	366,372	172,092
Other distribution related expenses	861,623	472,194
	8,997,278	4,466,756
Marketing expenses		
Advertising and marketing	86,133	101,284
Administration expenses		
General administration, IT and insurance expenses	757,357	604,520
Wages and employee entitlements		
Salaries and wages – includes superannuation \$400,093 (2021: \$391,321)	4,809,095	4,824,652
Depreciation and Amortisation		
Amortisation of intangible assets	9,534	17,663
Depreciation of plant and equipment	927,078	904,525
	936,612	922,188
Other expenses		
Bad Debts	4,238	-
Business Planning Reporting and Evaluation Costs	8,934	4,442
Consultancy – IT and business processes	134,300	112,991
Credit card merchant fees	63,577	46,339
Health and Safety	57,980	47,343
Security and Cleaning	467,884	216,940
Training & Development	27,733	40,819
Others	173,151	154,845
	937,797	623,719
	16,524,272	11,543,119

FBNA also receives "in-kind" services which are not recorded in the accounting records. Refer to note 27.

8 Other income and expenses

	2022 \$	2021 \$
Donations		
- Donations: Individuals, corporates, trusts, foundations	2,649,294	1,362,997
- Fundraising: Direct mail, digital integration and online campaigns	7,491,903	3,908,880
- Fundraising: Events	34,815	49,747
- Fundraising: Face to Face and telemarketing	1,455,711	1,213,283
	11,631,723	6,534,907
Other Income		
- Bequests	-	125,146
<i>Government Grants (Capital):</i>		
- NSW Environmental Trust: for new equipment and mezzanine	-	46,943
- Department of Industry: for new mezzanine	-	-
Gain on Sale of Non-Current Assets	1,000	45,455
	1,000	217,544
Total other income	11,632,723	6,752,451
Other Expenses		
Expenses associated in securing grants, donations and other fundraising	(1,758,703)	(2,526,716)
	9,874,020	4,549,969

9 Finance income

	2022 \$	2021 \$
Interest income	32,920	25,578
(Less) interest expense on lease liabilities	(4,697)	(4,352)
	28,223	21,226

10 Current assets - Cash and cash grants

	2022 \$	2021 \$
Cash on hand	338	1,500
Cash in bank - trading accounts	11,697,469	691,384
Cash in bank - PayPal	714,882	639,413
ANZ Call and Term Deposits	12,909,980	5,897,561
NAB Term Deposit	4,037,343	4,025,287
	29,360,012	11,255,145

Out of total cash assets, \$12,690,409 (2021: \$4,220,619) are cash grants and relates to grant income received. Refer to note 15 - deferred revenue.

(a) Cash in bank

During the year, the weighted average interest rate was 0.40% (2021: 0.38%).

(b) Fair value

The carrying amount for cash assets equals the fair value.

11 Current assets – Receivables

	2022 \$	2021 \$
Service fees receivable	152,560	287,295
Interest receivable	9,087	1,720
Other debtors	99,025	–
	260,672	289,105

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. There are no impairment on receivables.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 2 for information on financial risk management and the credit quality of FBNA's receivables.

The aging of service fees receivables is as follows:

	2022 \$	2021 \$
Not past due	90,729	179,580
Past due 1 – 7 days	45,391	67,572
Past due over 7 days	16,440	40,143
	152,560	287,295

12 Current assets – Other current assets

	2022 \$	2021 \$
Inventory of purchased stock at cost	2,624,137	1,029,486
GST refundable	–	170,057
Prepayments	139,973	55,048
	2,764,110	1,254,591

13 Non-current assets - Property, plant and equipment

	Freehold land and buildings \$	Plant and equipment \$	Right-of-use assets \$	Capital work in progress \$	Total \$
At 1 July 2020					
Cost or fair value	12,161,623	5,285,335	89,228	221,177	17,757,363
Accumulated depreciation	(919,114)	(2,692,638)	(22,811)	-	(3,634,563)
Net book amount	11,242,509	2,592,697	66,417	221,177	14,122,800
Year ended 30 June 2021					
Opening net book amount	11,242,509	2,592,697	66,417	221,177	14,122,800
Additions	-	1,140,304	-	-	1,140,304
Disposals ¹	-	-	-	-	-
Transfers from capital work in progress to plant and equipment	-	221,177	-	(221,177)	-
Depreciation charge	(196,185)	(685,210)	(23,130)	-	(904,525)
Closing net book amount	11,046,324	3,268,968	43,287	-	14,358,579
At 30 June 2021					
Cost or fair value	12,161,623	6,456,928	89,228	-	18,707,779
Accumulated depreciation	(1,115,299)	(3,187,960)	(45,941)	-	(4,349,200)
Net book amount	11,046,324	3,268,968	43,287	-	14,358,579
Year ended 30 June 2022					
Opening net book amount	11,046,324	3,268,968	43,287	-	14,358,579
Additions	-	337,357	27,331	29,280	393,968
Disposals ²	-	-	-	-	-
Depreciation charge	(196,186)	(704,252)	(26,640)	-	(927,078)
Closing net book amount	10,850,138	2,902,073	43,978	29,280	13,825,469
At 30 June 2022					
Cost	12,161,623	6,779,879	95,913	29,280	19,066,695
Accumulated depreciation	(1,311,485)	(3,877,806)	(51,935)	-	(5,241,226)
Net book amount	10,850,138	2,902,073	43,978	29,280	13,825,469

¹ Does not include fully written down plant and equipment disposals of \$189,888.

² Does not include fully written down plant and equipment disposals of \$14,406.

Land and buildings

As at 30 June 2022, land and building is carried at \$10,850,138 (2021: \$11,046,324) being the purchase price and other directly attributable costs associated with the purchase less accumulated depreciation on the building.

The most recent opinion of FBNA's property at 50 Owen Street, Glendenning NSW 2761 was estimated to be valued between \$15,920,600 – \$17,371,200. This opinion was provided in June 2020 and utilises recent market transactions to reach an estimate.

Capital work in progress

Capital work in progress additions in the year ended 30 June 2022 represent progress payments for three chiller trailer rooms.

14 Non-current assets - Intangible assets

	Software \$
At 1 July 2020	
Cost	112,735
Accumulation amortisation and impairment	(85,538)
Net book amount	27,197
Year ended 30 June 2021	
Opening net book amount	27,197
Amortisation charge	(17,663)
Closing net book amount	9,534
At 30 June 2021	
Cost	112,735
Accumulated amortisation	(103,201)
Net book amount	9,534
Year ended 30 June 2022	
Opening net book amount	9,534
Amortisation charge	(9,534)
Closing net book amount	-
At 30 June 2022	
Cost	112,735
Accumulated amortisation	(112,735)
Net book amount	-

15 Current liabilities – Deferred revenue

	2022 \$	2021 \$
Grants received in advance	12,690,409	4,220,619

Total grants received in advance include:

- (a) Remaining grant funding of \$3,648,554 (2021: \$2,244,107) from *NSW Department of Education* to expand the School Breakfast 4 Health Program.
- (b) Funding from *NSW Department of Communities & Justice* of \$7,869,021 (2021: \$1,700,227) for COVID-19 support. The remaining COVID-19 funding will be spent on buying additional food and groceries to support FBNA charity partners as well as supporting operational expenditure to cater for the increased need.
- (c) Funding from *Aboriginal Affairs NSW*:
 - \$200,000 (2021: nil) to establish a Community Food Coordinator position to be based in regional NSW.
 - \$409,056 (2021: \$196,286) to provide fresh produce boxes to remote and rural Aboriginal communities.
 - \$35,779 (2021: \$80,000) to hold pop-up marketplaces in remote and rural Aboriginal communities.

These grants will be recognised when the grant outcomes and performance obligations are achieved.

16 Current liabilities – Payables

	2022 \$	2021 \$
Creditors	1,147,468	568,055
GST Payable	201,973	-
PAYG withholding payable	107,414	111,862
Accrued expenses	-	26,580
Retentions Payable	18,951	18,951
Superannuation payable	41,359	45,657
	1,517,165	771,105

17 Current liabilities – Lease liability

	2022 \$	2021 \$
Lease liability	12,977	23,478

18 Current liabilities – Provisions

	2022 \$	2021 \$
Employee benefits	280,861	302,825

FBNA has 40 employees (37.5 full time equivalents) as at 30 June 2022 (2021: 60 (52.7 full time equivalents)).

19 Non-current liabilities – Deferred revenue

	2022 \$	2021 \$
Grants received in advance	3,000,000	3,000,000

Grant provided by the NSW Department of Family and Community Services (FACS) for assistance in the construction of the Distribution Centre. The deed of capital grant requires FBNA to operate the asset in a prescribed manner as specified in the deed for the project duration of ten (10) years from the commencement date on 28 July 2015. The grant will be fully recognised on 28 July 2025.

20 Non-current liabilities – Lease liability

	2022 \$	2021 \$
Lease liability	32,649	22,521

21 Non-current liabilities – Provisions

	2022 \$	2021 \$
Employee benefits	55,914	68,941

22 Accumulated funds

Movements in accumulated funds were as follows:

	2022 \$	2021 \$
Balance 1 July	18,757,375	15,325,476
Surplus for the year	9,941,668	3,431,899
Balance 30 June	28,699,043	18,757,375

23 Remuneration of auditors

KPMG's audit fees for the year ended 30 June 2022 will be \$13,670 (2021: \$12,600).

24 Contingencies

FBNA had no contingent assets or liabilities at 30 June 2022 (2021: nil).

25 Commitments

Commitments contracted at the reporting date but not recognised as liabilities is as follows:

Purchase commitments

	2022 \$	2021 \$
Inventory		
Payable: Within one year	1,588,261	278,071

Purchase commitments relates to food purchases which are due to be delivered in the second half of the 2022 calendar year.

26 Related party transactions

(a) Directors

The names of persons who were directors of FBNA at any time during the financial year are as follows:

Christine Feldmanis	(Appointed 26 October 2016)
John Hudson	(Appointed 13 August 2014)
Larry Kavanagh	(Appointed 17 June 2017)
Samantha Liston	(Appointed 19 November 2021)
Paul Moulds	(Appointed 23 February 2015)
Emma Peacock	(Appointed 19 November 2015)
Peter Kelly	(Appointed 13 October 2011)

(b) Foodbank Australia Limited

- (i) Foodbank Australia Limited acts as a national liaison and co-ordination point for food supply and activities of FBNA and other similar 'Foodbank' organisations in Western Australia, South Australia, Victoria, Queensland, Tasmania and Northern Territory. Foodbank Australia Limited costs of operation are met in part by levies paid by all 'Foodbank' organisations. During the year, FBNA paid \$193,673 (2021: \$191,945) to Foodbank Australia Limited.
- (ii) Foodbank Australia Limited hosts a centralised server and national website as part of the federated approach to computer systems and software. FBNA paid \$117,549 (2021: \$130,253) to Foodbank Australia Limited for the company's share of the costs of this service. This payment covers consultancy, management and maintenance costs of the hosting website, server and software program.
- (iii) FBNA provides Foodbank Australia Limited funds to purchase additional key staple food under the Annual Purchasing Program (APP) and the Quarterly Purchasing Program (QPP). In FY2022, FBNA paid \$6,487,333 (2021: \$2,196,896) to Foodbank Australia Limited for the purchase and transportation of staple foods.
- (iv) On 23 May 2016, Foodbank Australia Limited entered into a service agreement with FBNA for the provision of accounting and finance services. In FY2022, Foodbank Australia Limited paid \$25,286 (2021: \$69,000) to FBNA for assistance in general finance management, bookkeeping and financial reporting. This service agreement ended on 29 October 2021.

(c) Other

John Robertson the CEO of FBNA was appointed the Chair of Insurance and Care, NSW (icare) from 25 September 2020. FBNA's Workers Insurance is held with icare.

(d) Directors' remuneration

No remuneration was paid or is payable to any of the directors in respect of the financial year ended 30 June 2022 (2021: nil).

27 'In-kind' provision of services

FBNA relies upon a network of organisations and individuals to enable it to achieve its objectives, some of which do not charge FBNA for their services, or part of their services.

In order to understand the level of expenditure that would be incurred if these organisations and individuals were to charge for their services, the following information is an estimation on the value of significant 'in-kind' services provided:

Item	Provided by	Estimated value 2022 \$	Estimated value 2021 \$	If paid, would be an addition to the following expenses (refer Note 7)
Food safety consultancy	Correct Food Systems	1,000	5,000	Consultancy
Forklift maintenance and repairs	Crown Equipment/ Toyota Materials Handling	10,000	20,000	Motor vehicle, truck and forklift
Forklift Rental	NTP Forklifts	-	16,000	Motor vehicle, truck and forklift
Freight	Cameron Transport	23,000	20,000	Freight expenses
Freight and Storage	AHG Transport	-	8,400	Freight expenses
Bins and Pallet hire	Chep/Loscam	1,088,000	1,259,000	Other distribution related expenses
Project Consultancy	Sandrick Pty Ltd	-	13,000	Consultancy
Rental Property	Centuria Property Services	-	86,000	Other
Storage	Lineage Logistics/ Emergent Cold	21,000	18,200	Other distribution related expenses
Volunteers/Directors ¹	Individuals	1,320,000	1,482,000	Salaries, wages and fees
		2,463,000	2,927,600	

¹ Due to the impact of COVID restrictions, FBNA's volunteer workforce curtailed resulting in the need to employ more casual staff to offset this reduction.

As detailed in note 1(o), FBNA has elected not to recognise volunteer services in accordance with AASB 1058 and does not record these 'in-kind' services received as both revenue and expenditure.

28 Additional information to be furnished under the Charitable Fundraising Act 1991

Throughout the financial year ending 30 June 2022, FBNA conducted various appeals aimed to raise funds, donated food and grocery items to support food programs. Monetary funds received from these appeals will be applied to the purchase of food or equipment to support these programs.

In accordance with section 20 of the *Charitable Fundraising (NSW) Act 1991*, proceeds received in the course of fundraising appeals are applied according to the objects or purposes of the appeal net of appropriate expenses.

	2022 \$	2021 \$
(1) Gross proceeds from food donations and fundraising appeals		
Donations, fundraising events, campaigns and other grants	11,631,723	6,534,907
Value of donated food ¹	56,586,000	63,726,000
(Less) Direct fundraising costs	(1,758,703)	(2,202,482)
Net contributions from food donations and fundraising appeals	66,459,020	68,058,425
(2) These were applied to the following charitable purpose:		
Purchase of food for distribution	2,747,308	2,087,389
Distribution and operations	6,544,782	2,160,000
School breakfast 4 Health program	580,930	85,036
Value of donated food ¹	56,586,000	63,726,000
Total expenditure on direct services	66,459,020	68,058,425

While the *Charitable Fundraising Act 1991* primarily focuses on cash fundraising, given the nature of its business FBNA also undertakes extensive efforts to achieve food donations. The volume of food that was received by the company are:

	2022 Kilograms	2021 Kilograms
Food from National Donors ²	5,838,000	5,101,000
Food from State Donors	3,593,000	5,520,000
Food from Annual Purchasing Program ³	1,026,000	1,591,000
	10,457,000	12,212,000

¹ As the majority of FBNA's consolidated efforts are concentrated on sourcing donated food, the present value of food is captured to provide a more realistic valuation of FBNA's fundraising proceeds. The Directors' adopted a notional value for donated food of \$6 per kilogram from FBNA's National and State donors.

^{2,3} Food received from the liaison and coordination of Foodbank Australia.

29 Events occurring after the reporting period

There were no significant events occurring after the reporting period that requires disclosure.

30 Reconciliation of surplus after income tax to net cash flow from operating activities

	2	2021
	\$	\$
Surplus for the year	9,941,668	3,431,899
Depreciation and amortisation	936,612	922,188
Net (gain) on disposal of property, plant and equipment	(1,000)	(45,455)
Net Interest income	(28,223)	(21,226)
Payment of lease liabilities	25,553	21,954
Additions to right-of-use assets	(27,331)	-
Change in operating assets and liabilities:		
Decrease (Increase) in current receivables (excluding interest)	35,710	(76,267)
(Increase) in other current assets	(1,386,301)	(461,478)
Increase in current payables	544,087	128,310
Increase in current deferred revenue	8,469,790	896,718
(Decrease) in lease liabilities	(373)	(21,954)
(Decrease) Increase in provisions	(34,991)	20,481
Net cash inflow from operating activities ¹	18,475,201	4,795,170

¹ Net cash flow from operating activities includes cash flows associated with grant income and other donation activities as set out in Note 8.

In the directors' opinion:

- (a) the financial report and notes set out on pages 9 to 32 are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - (i) complying with Accounting Standards, the *Australian Charities and Not-for-Profits Commission Regulation 2013* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the entity's financial position as at 30 June 2022 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Christine Feldmanis
Chair

Sydney
24 October 2022

The directors declare that:

- (a) the financial report gives a true and fair view of all income and expenditure of Foodbank NSW & ACT Limited with respect to fundraising appeal activities for the financial year ended 30 June 2022;
- (b) the financial report gives a true and fair view of the financial position of Foodbank NSW & ACT Limited with respect to fundraising appeal activities as at 30 June 2022;
- (c) 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 2022; and
- (d) the internal controls exercised by Foodbank NSW & ACT Limited are appropriate and effective in accounting for all income received and applied by Foodbank NSW & ACT Limited from any of its fundraising appeals.

Signed in accordance with a resolution of the directors.

On behalf of the directors



Christine Feldmanis
Chair

Sydney
24 October 2022



Independent Auditor's Report

To the members of Foodbank NSW & ACT Limited

Report on the audit of the Financial Report

Opinion

We have audited the Financial Report of Foodbank NSW & ACT 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 2022, and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards – Simplified 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 2022.
- 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 (including Independence Standards) (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 NSW & ACT 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 the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures Requirements and the ACNC.
- Preparing the Financial Report in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations.
- 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 and whether the use of the going concern basis of accounting is appropriate. 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:

- 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. 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.

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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude 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.
- Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the Company 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.

In addition we have:

- Obtained an understanding of the internal control structure for fundraising appeal activities.
- 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:

- 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 2022;
- the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2021 to 30 June 2022, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- money received as a result of fundraising appeal activities conducted during the period from 1 July 2021 to 30 June 2022 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- 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
1 November 2022

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