

Foundation for Rural and Regional Renewal

ABN 27 091 810 589

Annual Report - 30 June 2022

Foundation for Rural and Regional Renewal

Directors' report

30 June 2022

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2022.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

	Appointed
Ian Allen	28 March 2001 (retired 17 February 2022)
Patrick Handbury	20 March 2009
Fred Grimwade	21 September 2011 (retired 17 February 2022)
Patrick Myer	25 September 2013
Annabel White	24 March 2015
Anne Grindrod	24 March 2015
Bruce Scott	15 November 2017
Sue Middleton	4 April 2018
Andrew McKenzie	4 April 2018
Hon Simon Crean	11 September 2019
Hon John Sharp	11 September 2019
Tim Fairfax	1 January 2020
Rachel Bacon	27 April 2021
James Flintoft	23 November 2021
Georgie Somerset	21 June 2022

Information on directors

Name: Ian Allen
Title: Director
Qualifications: AM, B.Ec, M.Admin, FAIM, FAICD
Experience and expertise: Over 30 years in personnel development, executive secretariat, marketing, customer policy and service, Trustee of Pratt Philanthropies and a director of foundations at the Collingwood and Carlton football clubs, Entertainment Assist, Global Citizen and Australian Jewish Funders.
Special responsibilities: Chair of the In a Good Place Assessment Committee, and a member of the Strengthening Rural Communities, Nominations and ECHO Assessment Committees

Name: Patrick Handbury
Title: Director
Experience and expertise: Managed Collinsville Merino Stud, involved in downstream agribusinesses including Webster, Grascos Shearing and SJ Saunders Trucking Company. Current Chair of Geelong Grammar School Council and on the Geelong Grammar Foundation.
Special responsibilities: Chair of Tackling Tough Times Together, Grants for Resilience & Wellness ("GR&W") and ECHO Assessment Committees and a member of the Disaster Resilient: Future Ready National Reference Group

Name: Fred Grimwade
Title: Director
Qualifications: B.Comm, LLB (Hons) MBA, SF Fin, FAICD, FCIS
Experience and expertise: Executive Director of specialist corporate advisory and investment firm, Fawcner Capital. Worked with international investment bank Goldman, Sachs & Co. Senior executive with Western Mining Corporation, Colonial Mutual and was Head of Private Capital for Colonial First State Investments. Former Managing Director of the Colonial Agricultural Company, non-executive Director of AWB Limited and Chairman of Troy Resources. Current non-executive Chairman of CPT Global and XRF Scientific and Director of Australian United Investments and Select Harvests.
Special responsibilities: Chair of the Finance and Audit Committee to February 2022, member of the Grants for Resilience & Wellness Committee, member of the Strengthening Rural Communities Assessment Committee and member of the Nominations Committee

Foundation for Rural and Regional Renewal

Directors' report

30 June 2022

Name: Patrick Myer
Title: Director
Experience and expertise: Involved with the Myer Foundation for many years and is a former Convener of the G4 Committee and a past member of the Environment Committee. Current member of the Arts and Humanities Committee.
Special responsibilities: Sidney Myer Fund's representative; and Chair of Heywire Youth Innovation Assessment Committee

Name: Annabel White
Title: Director
Qualifications: BA, M.Phil Bus, GAICD
Experience and expertise: Extensive experience in the philanthropic and not-for-profit sectors in Australia. A career in philanthropy and has worked in publishing, the media, Landcare, Arts North West and local government. Current Director of the Vincent Fairfax Family Foundation, Director Mundango Abroad and Southern Highlands Foundation.
Special responsibilities: Chair of the Investing in Rural Community Futures; and Aussie Cotton Farmers Grow Cotton Communities Assessment Committees; and a member of the In a Good Place Assessment and Nominations Committees

Name: Anne Grindrod
Title: Deputy Chair
Qualifications: BA, GAICD
Experience and expertise: Wide experience in the philanthropic and not-for-profit sectors in Australia. Former Trustee and Chairman of the John T Reid Charitable Trusts. Served on the boards of the Australian Environmental Grantmakers Network and the Advisory Council for Children with Impaired Hearing (life member).
Special responsibilities: Deputy Chair of the Foundation for Rural & Regional Renewal Board of Directors, Chair of the Strengthening Rural Communities Assessment Committee and Nominations Committee; a member of the GR&W Assessment Committee

Name: Bruce Scott
Title: Director
Qualifications: OAM
Experience and expertise: Breadth of experience of living and running businesses in rural communities and has served on numerous public sector and not-for-profit boards as well as local, state, federal government and community committees. Currently Director of Project Management Committee for Rural Financial Counselling Service, Director of Red Ridge Foundation, Member of the Telstra Queensland Regional Advisory Committee, Member of Finance Audit and Risk Committee Mithaka Aboriginal Corporation, Advisor to National Recovery and Resilience Agency, Director of Southern Queensland Landscapes and Director of South West Hospital and Health Board. Has served as a local government councillor for 22 years (16 years as Mayor), Director of the Central West Hospital and Health Service, Chair of Desert Channels Queensland and a Director of the Regional Natural Resource Management Groups Collective Board, Director of the Remote Area Planning and Development Board and Chair of Central West Digital Strategy Reference Group.
Special responsibilities: Member of the Tackling Tough Times Together Assessment Committee and member of the Finance and Audit Committee

Foundation for Rural and Regional Renewal

Directors' report

30 June 2022

Name: Sue Middleton
Title: Director
Experience and expertise: Wide reaching and deep change management experience across agricultural businesses, commodity groups and sectors, and regional and rural local communities. Past roles include the Chair of the WA Regional Development Trust, Chair of the West Midlands Group (Grower Group), National Rural Advisory Council, COAG Reform Council, WA Agricultural Produce Commissioner, National Regional Women's Advisory Council, Farmbis State Planning Group, Australian Research Council, and Regional Solutions Board, Regional Telecommunications Review 2021 and National Water Grid Advisory Board.
Special responsibilities: Chair of Future Drought Fund's Networks to Build Resilience Assessment Committee, member of the Strengthening Rural Communities Assessment Committee and member of Nominations Committee

Name: Andrew McKenzie
Title: Director
Qualifications: JP, Dip Ap Sci (Ag), Grad Dip Bus Mgt, Dip Fin Adv (SIA)
Experience and expertise: Held various roles in agriculture and related fields before joining the building industry. Spent 20 years working with a major Australian building product manufacturing company. Then worked in financial and investment advice as a senior adviser with Ethinvest Pty Ltd in Sydney. Currently a Director at Ethinvest. Current Chair and Trustee of the John T Reid Charitable Trusts and Trustee of the Erica Foundation.
Special responsibilities: Chair of the Finance and Audit Committee from May 2022, Chair of Resilience NSW Covid Support Fund Assessment Committee and member of the Strengthening Rural Communities Assessment Committee.

Name: Hon Simon Crean
Title: Director
Qualifications: B.Ec, LLB
Experience and expertise: Has been a leading figure in Government, politics and industrial relations for five decades. Former General Secretary Storemen and Packers Union (now the NUW), Vice President and President of the ACTU. Former Parliamentary Leader of the Federal Labor Party. Elected to Federal Parliament and held positions of Minister for Science and Technology and Minister assisting the Treasurer, Minister for Employment, Education and Training, Minister for Employment, Workplace Relations and Social Inclusion, Minister for Trade, Minister for Regional Australia, Regional Development and Local Government and Minister for the Arts. Held the Shadow Ministries of Treasury, Industry Trade and Regional Development. Deputy Chancellor Monash University, Adjunct Professor Deakin University Co-Chair Cornerstone Group Advisory Board, Deputy Chair EABC, Director of Linfox International Group. Chair McClelland Gallery and Sculpture Park, Member Advisory Boards ATN, Orygen, and GSEM.
Special responsibilities: Member of Disaster Resilient: Future Ready National Reference Group

Name: Hon John Sharp
Title: Director
Qualifications: AM, ADFM, FCIT
Experience and expertise: Farming and business background and served 14 years in the Federal Parliament, a member of the Coalition's front bench as Shadow Minister and then Minister for Transport and Regional Development and Federal Treasurer. Former director of Airbus Group Australia Pacific, Director of Skytraders, Co-Chair of the Cancer Council of NSW, Southern Highlands Branch and Chairman of the Winifred West Schools Foundation. Current Founder and Director, Thenford Consulting, Deputy Chairman Regional Express (Rex), Chairman of Pel Air, Director Luerksen Australia, Director Australian Maritime Shipbuilding and Export Group, Member Climate Change Authority, Trustee and Board Member John McEwen House, Member of the University of Wollongong Vice-Chancellor's Advisory Board and Director Tudor House Foundation.

Foundation for Rural and Regional Renewal

Directors' report

30 June 2022

Name: Tim Fairfax
Title: Chairman
Qualifications: AC, FAICD
Experience and expertise: A Company Director, Pastoralist and Philanthropist. Chairman of the Tim Fairfax Foundation, Director of the Vincent Fairfax Family Foundation, Australian Philanthropic Services and Ningana Giving. President of the Queensland Art Gallery | Gallery of Modern Art Foundation, a member of the National Portrait Gallery Foundation, the National Gallery of Australia Foundation and Australian Schools Plus. Patron of the AMAQ Foundation, the University of the Sunshine Coast Foundation, the Flying Arts Alliance Incorporated, the Australian Rural Leadership Foundation, and the Actors' & Entertainers' Benevolent Fund (QLD) Inc.
Special responsibilities: Chairman of the Foundation for Rural & Regional Renewal Board of Directors.

Name: Rachel Bacon
Title: Director
Qualifications: PhD Admin Law, B.Law (Hons), B.Arts (Hons)
Experience and expertise: Current Deputy Secretary for the Regional, Cities and Territories Group at the Department of Infrastructure, Transport, Regional Development and Communications. Previous role with Department of Environment and Energy, running the Policy Analysis and Implementation Division and as Deputy Chief Executive Officer with the Northern Territory Government's Department of the Chief Minister.

Name: James Flintoft
Title: Director
Qualifications: B.Sci, B.Law, MBA, GAICD
Experience and expertise: Substantial private sector and government executive leadership and governance experience, including in regional development and agricultural policy and service delivery. 10 years in the public service including as Chief Executive of Regional Development Victoria, Deputy Secretary Agricultural Victoria and First Assistant Secretary Department of Prime Minister and Cabinet. 20 years in the private sector as a senior executive at ANZ Bank, management consultant at McKinsey & Company and a commercial lawyer at Allens Arthur Robinson. Former Treasurer of the Mirabel Foundation. Current Director of Transport Accident Commission, Development Victoria, Epworth Healthcare Group, Chair of Predictive Hire Pty Ltd, Director of Social Traders and Director of Foundation House (Victorian Foundation for Survivors of Torture).
Special responsibilities: Member of the Finance and Audit Committee and member of Strengthening Rural Communities Assessment Committee

Name: Georgie Somerset
Title: Director
Qualifications: FAICD, FARLF
Experience and expertise: Industry leader, strategist and farmer with interest in regional development and advocate for regional and remote Australia. Serves on a number of advisory committees for regional development, research, industry and community groups. Founder and past President of the Queensland Rural Regional and Remote Women's Network-QRRRWN and held roles with the National Foundation for Australian Women, founding member and Chair of the Red Earth Community Foundation. Current General President of AgForce Queensland, Deputy Chair of the Royal Flying Doctor Service (Queensland section), Director of the Australian Broadcasting Corporation (ABC), the National Farmers Federation and the RFDS Foundation.

Company secretary

Mrs Karen Fazzani was appointed in March 2020. Her qualifications include B.Comm, MBA (Public Sector Mgt), Certified Practising Accountant (CPA) and Graduate Australian Institute of Company Directors.

**Foundation for Rural and Regional Renewal
Directors' report
30 June 2022**

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Ian Allen, AM, OAM	1	3	1	2	-	-
Tim Fairfax, AC (Chair)	4	4	2	2	4	4
Fred Grimwade	3	3	2	2	3	3
Paddy Handbury	4	4	-	-	-	-
Annabel White	3	4	2	2	-	-
Anne Grindrod (Deputy Chair)	4	4	2	2	3	3
Patrick Myer	3	4	-	-	-	-
Bruce Scott OAM	4	4	-	-	2	2
Sue Middleton	3	4	-	-	-	-
Andrew McKenzie	3	4	-	-	4	4
James Flintoft	2	2	-	-	4	4
Simon Crean	4	4	-	-	-	-
John Sharp AM	4	4	-	-	-	-
Rachel Bacon	3	4	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Principal activities

The principal activity of the Foundation is that of a charitable foundation. The Foundation is established for rural charitable purposes, namely to promote for the public benefit, rural and regional renewal, regeneration and development in Australian social, economic, environmental and cultural areas.

Objectives

- Promote, for the public benefit, rural renewal, regeneration and development in Australia in social, economic, environmental and cultural areas.
- Add value to the work of rural organisations to resolve regional development issues at a national and local level.
- Strengthen regional capacity for growth, development and adjustment in the context of national and global change.
- Develop new ideas and methods through thinking, researching, debating, testing and informing to address issues facing regional and rural Australia.
- Strengthen the regional and rural voice to ensure vigorous regional and rural participation in national growth and development.
- Provide facilitation services to assist groups to lead and face change so that regional and local communities can choose paths to their futures.
- Raise money and other resources (both tax deductible and non-tax deductible) for the operation of the national body and the funding of national services and programs to resource rural Australia.
- Raise money and other resources (both tax deductible and non-tax deductible) for direct use by regions for projects and/or seed funding for local capacity building and funding bodies.
- Provide expertise and support to local and regional bodies to assist them to raise funds for local capacity building projects and initiatives.

Likely developments

The Foundation's primary focus will be on the continued promotion for the public benefit, rural and regional renewal, regeneration and development in Australian social, economic, environmental and cultural areas

Environmental regulations

The Foundation's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Foundation has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Foundation.

**Foundation for Rural and Regional Renewal
Directors' report
30 June 2022**

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Australian Charities and Not-for-profit Commission Act 2012*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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 the entity's operations, the results of those operations, entity's state of affairs in future financial years.

Contributions on winding up

The Foundation is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the Company. All members have equal voting rights.

Operating and financial review

The Foundation generated a net loss of \$1,468,071 (2021: Net Loss \$2,477,244) for the year under review. The result comprises a planned operating loss of \$535,800 to be funded from retained earnings, and granting deficit of \$923,271 reflecting grants paid from donations and grants received in prior years.

Auditor's independence declaration

A copy of the auditor's independence declaration in accordance with Subsection 6040 of the *Australian Charities and Not-for-profit Commission Act 2012* is set out immediately after this directors' report.

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

On behalf of the directors



T.V. FAIRFAX, AM

Mr Tim Fairfax, AC
Chairman



Mr Andrew McKenzie
Chair of Finance & Audit Committee

21 October 2022

DECLARATION OF INDEPENDENCE BY ELIZABETH BLUNT TO THE DIRECTORS OF FOUNDATION FOR RURAL AND REGIONAL RENEWAL

As lead auditor of Foundation for Rural and Regional Renewal for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Elizabeth Blunt
Director

BDO Audit Pty Ltd

Melbourne, 21 October 2022

Foundation for Rural and Regional Renewal

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General information

The financial statements cover Foundation for Rural and Regional Renewal as an individual entity. The financial statements are presented in Australian dollars, which is Foundation for Rural and Regional Renewal's functional and presentation currency.

Foundation for Rural and Regional Renewal is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

66 Garsed Street
Bendigo
Victoria 3550

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 20 October 2022. The directors have the power to amend and reissue the financial statements.

Acronyms/Abbreviations

Definition

ACNC	Australian Accounting Standards Board
AASB	Australian Accounting Standards Board
DRRF	Disaster Resilience & Recovery Fund
FRRR	Disaster Resilience & Recovery Fund
FVOCI	Fair value through other comprehensive income
GST	Goods and services tax

Foundation for Rural and Regional Renewal
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Operating revenue			
Operating revenue	4	3,327,130	2,295,224
Other revenue	5	728,548	712,831
		<u>4,055,678</u>	<u>3,008,055</u>
Operating expenses			
Depreciation expenses		(70,997)	(77,470)
Employee benefits expenses	6	(2,727,175)	(1,936,503)
Marketing		(195,860)	(202,690)
Other expenses		(1,578,100)	(1,744,271)
Finance costs	6	(19,346)	(14,289)
Total for operating expenditure		<u>(4,591,478)</u>	<u>(3,975,223)</u>
Results from operating activities excluding granting and donations		(535,800)	(967,168)
Grants and donations revenue	3	21,431,572	19,303,147
Grants and donations expenditure		<u>(22,363,843)</u>	<u>(20,813,223)</u>
Results from granting and donations		(932,271)	(1,510,076)
Deficit before income tax expense		(1,468,071)	(2,477,244)
Income tax expense		-	-
Deficit after income tax expense for the year	18	(1,468,071)	(2,477,244)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value through other comprehensive income (FVOCI)		<u>(1,597,755)</u>	2,504,809
Other comprehensive income for the year, net of tax		<u>(1,597,755)</u>	2,504,809
Total comprehensive income for the year		<u><u>(3,065,826)</u></u>	<u><u>27,565</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Foundation for Rural and Regional Renewal
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	7	27,555,326	26,734,315
Trade and other receivables	8	72,030	116,330
Other assets		4,628	4,014
Total current assets		<u>27,631,984</u>	<u>26,854,659</u>
Non-current assets			
Financial assets at fair value through other comprehensive income	9	17,901,548	20,575,031
Property, plant and equipment		23,191	11,054
Right-of-use assets	10	74,721	138,424
Total non-current assets		<u>17,999,460</u>	<u>20,724,509</u>
Total assets		<u>45,631,444</u>	<u>47,579,168</u>
Liabilities			
Current liabilities			
Trade and other payables	12	184,918	359,769
Deferred revenue - contract liabilities	13	11,737,214	10,512,756
Lease liabilities	14	65,113	64,271
Employee benefits	15	335,190	319,403
Grants payables	16	2,732,263	2,623,032
Total current liabilities		<u>15,054,698</u>	<u>13,879,231</u>
Non-current liabilities			
Lease liabilities	14	23,735	88,580
Employee benefits	15	38,295	30,815
Total non-current liabilities		<u>62,030</u>	<u>119,395</u>
Total liabilities		<u>15,116,728</u>	<u>13,998,626</u>
Net assets		<u>30,514,716</u>	<u>33,580,542</u>
Equity			
Reserves	17	26,407,756	28,504,047
Retained surpluses	18	4,106,960	5,076,495
Total equity		<u>30,514,716</u>	<u>33,580,542</u>

The above statement of financial position should be read in conjunction with the accompanying notes

**Foundation for Rural and Regional Renewal
Statement of changes in equity
For the year ended 30 June 2022**

	Fair Value Reserve	Committed Grants Reserve	FRRR Capital	FRRR Capital - DRRF*	Retained Profits	Total equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	(505,804)	10,648,810	12,953,901	4,192,662	6,263,408	33,552,977
Deficit after income tax expense for the year	-	-	-	-	(2,477,244)	(2,477,244)
Other comprehensive income for the year, net of tax	2,504,809	-	-	-	-	2,504,809
Total comprehensive income for the year	2,504,809	-	-	-	(2,477,244)	27,565
Transfer to/(from) committed grants reserve	-	(1,510,076)	-	-	1,510,076	-
Transfer to FRRR Capital-DRRF	-	-	-	190,912	(190,912)	-
Transfer of realised gains FVOCI - equity	80,665	-	(123,891)	43,226	-	-
Transfer of realised gains FVOCI - Debt	-	-	25,416	3,417	(28,833)	-
Balance at 30 June 2021	<u>2,079,670</u>	<u>9,138,734</u>	<u>12,855,426</u>	<u>4,430,217</u>	<u>5,076,495</u>	<u>33,580,542</u>
	Fair Value Reserve	Committed Grants Reserve	FRRR Capital	FRRR Capital - DRRF*	Retained Profits	Total equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	2,079,670	9,138,734	12,855,426	4,430,217	5,076,495	33,580,542
Deficit after income tax expense for the year	-	-	-	-	(1,468,071)	(1,468,071)
Other comprehensive income for the year, net of tax	(1,597,755)	-	-	-	-	(1,597,755)
Total comprehensive income for the year	(1,597,755)	-	-	-	(1,468,071)	(3,065,826)
Transfer to/(from) committed grants reserve	-	(932,271)	-	-	932,271	-
Investment Income net of funds expenditure transferred from retained earnings to relevant reserve	-	-	412,595	21,140	(433,735)	-
Transfer of realised gains from FVOCI to Capital Reserves	(336,756)	-	234,956	101,800	-	-
Balance at 30 June 2022	<u>145,159</u>	<u>8,206,463</u>	<u>13,502,977</u>	<u>4,553,157</u>	<u>4,106,960</u>	<u>30,514,716</u>

*Disaster Resilience & Recovery Fund (DRRF)

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

Foundation for Rural and Regional Renewal
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash from grants, donations and other operating activities		26,027,460	24,152,293
Distributions received from fund managers		665,908	634,053
Interest received		62,640	78,778
Interest paid on lease liabilities		(19,346)	(14,289)
Payments to grantees, suppliers and employees		<u>(26,580,181)</u>	<u>(22,821,786)</u>
Net cash from operating activities		<u>156,481</u>	<u>2,029,049</u>
Cash flows from investing activities			
Receipts from sales of financial assets		3,762,066	18,835,761
Payments for financial assets		<u>(3,033,533)</u>	<u>(20,541,893)</u>
Net cash from/(used in) investing activities		<u>728,533</u>	<u>(1,706,132)</u>
Cash flows from financing activities			
Repayment of lease liability		<u>(64,003)</u>	<u>(66,419)</u>
Net cash used in financing activities		<u>(64,003)</u>	<u>(66,419)</u>
Net increase in cash and cash equivalents		821,011	256,498
Cash and cash equivalents at the beginning of the financial year		<u>26,734,315</u>	<u>26,477,817</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>27,555,326</u></u>	<u><u>26,734,315</u></u>

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

Foundation for Rural and Regional Renewal
Notes to the financial statements
30 June 2022

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

Income Tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-profits Commission Act 2012* and Victorian legislation the *Fundraising Act 1998* and associated regulations and the *Corporations Act 2001*, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Current and non-current classification

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

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

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

Other financial assets

Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Note 1. Significant accounting policies (continued)

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

Goods and Services Tax ('GST') and other similar taxes

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

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

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

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

Restatement of comparatives

Comparative figures where appropriate have been reclassified to be comparable with the figures presented for the current year.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 15, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Grants and donations revenue

	2022	2021
	\$	\$
Donations FRRR programs	5,815,511	5,168,080
Donations donor advised programs	8,954,051	7,473,390
Donations fundraising accounts	6,118,968	6,437,163
Disaster Resilience & Recovery Funds donation (DRRF)	543,042	224,514
	<u>21,431,572</u>	<u>19,303,147</u>

Accounting policy for revenue recognition

The Foundation recognises revenue as follows:

Grants and donations

The Foundation recognises the income deferred from grants and donations based on the conditions and specific performance obligations attached to each grant and donation arrangement.

Income from grants and donations that do not contain significant conditions and specific performance obligations are recognised when the grant is received.

Receipts from grants and donations that contain significant conditions and specific performance obligations are initially recognised as deferred revenue liabilities (contract liabilities) and subsequently recognised as income when the Foundation complies with the conditions associated with the grants and donations, which is usually when the funds are expended.

Foundation for Rural and Regional Renewal
Notes to the financial statements
30 June 2022

Note 4. Operating revenue

	2022	2021
	\$	\$
Donations FRRR Program	562,436	1,352,556
Donations donor advised programs	1,458,079	472,763
Donations fundraising programs	356,101	148,307
Administration, service and project fees	950,514	321,598
	<u>3,327,130</u>	<u>2,295,224</u>

Grants and donations

The Foundation recognises the income deferred from grants and donations based on the conditions and specific performance obligations attached to each grant and donation arrangement.

Income from grants and donations that do not contain significant conditions and specific performance obligations are recognised when the grant is received.

Receipts from grants and donations that contain significant conditions and specific performance obligations are initially recognised as deferred revenue liabilities (contract liabilities) and subsequently recognised as income when the Foundation complies with the conditions associated with the grants and donations, which is usually when the funds are expended.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are provided, which typically aligns with the delivery of performance obligations relating to grant and donation contract arrangements.

Note 5. Other revenue

	2022	2021
	\$	\$
Interest received	62,640	78,778
Investment income	665,908	634,053
	<u>728,548</u>	<u>712,831</u>

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Investment income

Investment income comprises a monthly drawdown on the portfolio investment to support annual operating expenditure. Investment income is recognised when it is received or when the right to receive payment is established.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Foundation for Rural and Regional Renewal
Notes to the financial statements
30 June 2022

Note 6. Expenses

	2022	2021
	\$	\$
Deficit before income tax includes the following specific expenses:		
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	<u>19,346</u>	<u>14,289</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>235,970</u>	<u>203,783</u>
Employee benefits expense excluding superannuation	<u>2,491,205</u>	<u>1,732,720</u>
Total Employee benefits expense	<u>2,727,175</u>	<u>1,936,503</u>

Defined contribution superannuation expense

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

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 7. Cash and cash equivalents

	2022	2021
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>27,555,326</u>	<u>26,734,315</u>

Accounting policy for cash and cash equivalents

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

Note 8. Trade and other receivables

	2022	2021
	\$	\$
<i>Current assets</i>		
Trade receivables	24,745	70,944
Sundry and other receivables	<u>47,285</u>	<u>45,386</u>
	<u>72,030</u>	<u>116,330</u>

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Foundation for Rural and Regional Renewal
Notes to the financial statements
30 June 2022

Note 9. Financial assets at fair value through other comprehensive income

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Koda Capital	13,394,788	15,850,458
Koda Capital - Disaster Resilience & Recovery Fund (DRRF)	4,506,760	4,724,573
	<u>17,901,548</u>	<u>20,575,031</u>
	2022	2021
	\$	\$
Comprising:		
Fair Value through Other Comprehensive Income - debt securities	6,216,834	10,935,834
Fair Value through Other Comprehensive Income - equity securities	11,684,714	9,639,197
	<u>17,901,548</u>	<u>20,575,031</u>

Note 10. Right-of-use assets

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Office - right-of-use	59,056	105,100
Motor vehicles - right-of-use	-	9,222
Photocopier - right-of-use	15,665	23,528
Coolah office - right-of-use	-	574
	<u>74,721</u>	<u>138,424</u>

Depreciation charged to profit or loss for right-of-use assets during the year was \$63,703.

The company leases land and buildings for its offices under agreements of between 1 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The company also leases plant and equipment under agreements of between 1 to 5 years.

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 11. Financial instruments

Financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Foundation for Rural and Regional Renewal
Notes to the financial statements
30 June 2022

Note 11. Financial instruments (continued)

30 June 2022
 Carrying Amount

	Amortised cost	FVOCI	Other financial liabilities	Total
<i>Financial assets measured at fair value</i>				
Equity securities	-	11,684,714	-	11,684,714
Corporate debt securities	-	6,216,834	-	6,216,834
	-	17,901,548	-	17,901,548
<i>Financial assets not measured at fair value</i>				
Cash and cash equivalents	27,555,326	-	-	27,555,326
Trade and other receivables	72,030	-	-	72,030
	27,627,356	-	-	27,627,356
<i>Financial liabilities not measured at fair value</i>				
Trade and other payables	-	-	184,918	184,918

Market risk

The Foundation is exposed to equity price risk, which arises from equity securities measured at fair value. Management monitors the proportion of equity securities in its investment portfolio based on market indices. Investments are managed by the Finance and Audit Committee.

The primary goal of the Foundation's investment strategy is to maximise investment returns to improve its returns in general. Management is assisted by external advisors in this regard.

Note 12. Trade and other payables

	2022 \$	2021 \$
<i>Current liabilities</i>		
Sundry creditor	184,918	359,769

Accounting policy for trade and other payables

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

Note 13. Deferred revenue - contract liabilities

	2022 \$	2021 \$
<i>Current liabilities</i>		
Contract liabilities	11,737,214	10,512,756

Accounting policy for contract liabilities

Contract liabilities represent the company's obligation to transfer services to a customer in accordance with the grant agreement and are recognised when the donor pays consideration before the company has transferred the services to the customer.

Foundation for Rural and Regional Renewal
Notes to the financial statements
30 June 2022

Note 14. Lease liabilities

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Office	55,736	46,752
Vehicle	-	10,248
Photocopier	9,377	7,271
	<u>65,113</u>	<u>64,271</u>
<i>Non-current liabilities</i>		
Office	14,365	69,841
Photocopier	9,370	18,739
	<u>23,735</u>	<u>88,580</u>
	<u><u>88,848</u></u>	<u><u>152,851</u></u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	65,113	64,271
One to five years	23,735	88,580
	<u>88,848</u>	<u>152,851</u>

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 15. Employee benefits

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Annual leave	149,167	122,509
Long service leave	76,522	74,867
Payroll accruals	109,501	122,027
	<u>335,190</u>	<u>319,403</u>
<i>Non-current liabilities</i>		
Long service leave	<u>38,295</u>	<u>30,815</u>
	<u><u>373,485</u></u>	<u><u>350,218</u></u>

**Foundation for Rural and Regional Renewal
Notes to the financial statements
30 June 2022**

Note 15. Employee benefits (continued)

Accounting policy for employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Note 16. Grants payables

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Grants payables	<u>2,732,263</u>	<u>2,623,032</u>

Accounting policy for grant payables

These amounts represent grant expenditure approved by the Board for which the recipients have been notified of their success prior to the end of the financial year. These amounts remain unpaid at year end.

Note 17. Reserves

	2022	2021
	\$	\$
FRRR Capital	13,502,977	12,855,426
Committed grants reserve	8,206,463	9,138,734
FRRR Capital-DRRF	4,553,157	4,430,217
Fair value reserve	<u>145,159</u>	<u>2,079,670</u>
	<u><u>26,407,756</u></u>	<u><u>28,504,047</u></u>

FRRR Capital

The FRRR Capital represents the original \$10m corpus grant from the Commonwealth of Australia (represented by the Department of Infrastructure, Regional Development and Cities) via a Deed of Grant with the Foundation for Rural and Regional Renewal. Capital growth on the investment is also included in FRRR Capital to provide income to support annual operating expenditure and funding support for charitable initiatives.

On February 2012 an amendment to the Deed of Grant was executed ensuring the core amount cannot be recalled provided the Foundation remains in operation and manages the fund in accordance with the Deed of Grant.

Committed grants reserve

The committed grants reserve represents the accumulated net result of grants and donations received and related expenditures incurred.

FRRR Capital- DRRF

The FRRR Capital- DRRF reserve represents donations made to the DRRF Corpus for perpetual investment, for which the earnings will support disaster resilience and recovery activity.

Foundation for Rural and Regional Renewal
Notes to the financial statements
30 June 2022

Note 17. Reserves (continued)

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of FVOCI financial assets until such investments are derecognised or impaired.

Movements in reserves

Movements in each class of reserve during the current financial year are set out below:

	FRRR Capital	Committed grants reserve	FRRR Capital-DRRF	Fair value reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	12,855,426	9,138,734	4,430,217	2,079,670	28,504,047
Movement	647,551	(932,271)	122,940	(1,934,511)	(2,096,291)
Balance at 30 June 2022	<u>13,502,977</u>	<u>8,206,463</u>	<u>4,553,157</u>	<u>145,159</u>	<u>26,407,756</u>

Note 18. Retained surpluses

	2022	2021
	\$	\$
Retained surpluses at the beginning of the financial year	5,076,495	6,263,408
Deficit after income tax expense for the year	(1,468,071)	(2,477,244)
Transfer to committed grant reserve	932,271	1,510,076
Transfer to FRRR Capital - DRRF reserve	-	(190,912)
Investment Income net of funds expenditure transferred from retained earnings to relevant reserve	(433,735)	-
Transfer of realised gains FVOCI - Debt	-	(28,833)
Retained surpluses at the end of the financial year	<u>4,106,960</u>	<u>5,076,495</u>

Note 19. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

Transactions with related parties

The following transactions occurred with related parties:

	2022	2021
	\$	\$
Other income from other related party	7,598,712	5,100,000

Mr Patrick Myer is a shareholder of the Myer Family Investments Pty Ltd which is the owner of the Myer Family Company Ltd. Affiliates of the Sidney Myer Fund (The Myer Family Company) have contributed donations to FRRR amounting to \$200,000 (2021: \$600,000) during the year under normal commercial terms.

The Australian Government through the Department of Agriculture, Water and the Environment, National Recovery and Resilience Agency and Department of Infrastructure, Transport, Cities and Regional Development contributed donations to FRRR amounting to \$7,398,712 (2021: \$4,500,000) during the year under normal commercial terms.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Foundation for Rural and Regional Renewal
Notes to the financial statements
30 June 2022

Note 19. Related party transactions (continued)

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Directors of the entity or their Director related entities, conduct transactions with entities within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those with which it is reasonable to expect the entity would have adopted if dealing with the Director or Director related entity at arm's length in similar circumstances.

These transactions include the following and have been quantified below where the transactions are considered likely to be of interest to users of these financial statements.

	2022	2021
	\$	\$
Donations contributed by directors	<u>547,000</u>	<u>546,500</u>

Note 20. Key management personnel disclosures

The key management personnel compensations recognised during the year are as follows:

	2022	2021
	\$	\$
Short-term employee benefits	481,943	400,673
Post-employment benefits	<u>24,953</u>	<u>35,228</u>
Total executive key management benefits	<u>506,896</u>	<u>435,901</u>

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by , the auditor of the company, and unrelated firms:

	2022	2021
	\$	\$
<i>Audit services - BDO</i>		
Audit of the financial statements	<u>31,000</u>	<u>27,500</u>
<i>Other services - BDO</i>		
Preparation of financial statements	<u>4,850</u>	<u>3,500</u>
	<u>35,850</u>	<u>31,000</u>
<i>Other services - RSD Audit</i>		
Regulatory assurance services	<u>850</u>	<u>3,285</u>

Note 22. Contingent assets

The company had no contingent assets as at 30 June 2022 and 30 June 2021.

Note 23. Contingent liabilities

The company had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Foundation for Rural and Regional Renewal
Notes to the financial statements
30 June 2022

Note 24. Commitments

	2022	2021
	\$	\$
Project expenditure commitments		
No later than five years	<u>12,775,399</u>	<u>13,165,056</u>

Note 25. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Foundation for Rural and Regional Renewal
Directors' declaration
30 June 2022**

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the *Australian Charities and Not-for-profits Commission Act 2012* and Victorian legislation the Fundraising Act 1998 and associated regulations and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors



T.V. FAIRFAX, AM

Mr Tim Fairfax, AC
Chairman



Mr Andrew McKenzie
Chair of Finance & Audit Committee

21 October 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Foundation for Rural and Regional Renewal

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Foundation for Rural and Regional Renewal (the registered entity), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Foundation for Rural and Regional Renewal, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



Elizabeth Blunt
Director

Melbourne, 21 October 2022