

Rainforest 4 Foundation Ltd

Financial Statements

For the Year Ended 30 June 2020

Rainforest 4 Foundation Ltd

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For the Year Ended 30 June 2020

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Rainforest 4 Foundation Ltd

Directors' Report

30 June 2020

General information

Review of operations

The Rainforest 4 Foundation is a not-for-profit public company limited by guarantee incorporated under the Corporations Act 2001 and a registered charity with the Australian Charities and Not-for-Profits Commission (ACNC) under the Australian Charities and Not-for-Profits Act 2012.

The Rainforest 4 Foundation's board is responsible for the governance of the company and for ensuring that business activities are directed towards achieving the company's mission, Rainforest Protection for Wildlife, Climate, People and the Planet.

Your directors present their report on Rainforest 4 Foundation Ltd for the financial year ended 30 June 2020.

Information on directors

Kelvin Davies

Position

Chairperson

Experience

For thirty years Kelvin has been contributing to rainforest conservation in Australia and internationally. He has founded, developed and managed several not-for-profit organisations and many programs contributing to rainforest conservation. He has expertise in fundraising and has been a company director of not-for-profit organisations since 1999. Kelvin is a founding director of the Rainforest 4 Foundation.

Dianna Rivers

Position

Director

Experience

Dianna has 12 years experience in fundraising for rainforest conservation and charitable causes. Dianna is a founding director of the Rainforest 4 Foundation.

John Stevens

Position

Director

Experience

John is a Board member of a number of health related charities. He is also Director of Enterprise and Engagement for the School of Health and Human Sciences, Southern Cross University and Manager of Professional Development and the Postgraduate Coursework portfolio for the School. John is a founding director of the Rainforest 4 Foundation.

Directors' Report

30 June 2020

The following four short and long-term strategic goals will guide the Rainforest 4 Foundation's activities for the next three years:

1. Fundraising & Engagement

To better engage with existing and potential donors and grow the amount of one off donations and the number of people contributing through our recurring monthly giving program.

2. Land Buyback & Conservation

To increase the number, combined size and the conservation values of properties acquired for conservation. To establish and maintain relationships with Traditional Owners and Indigenous organisations, involving them in decision making and the management of acquired properties.

3. Science Based Advocacy & Data Driven Decision Making

To embrace data-driven decision making and science based advocacy to inform and affect policy and have an outsized impact.

4. Financial Sustainability, Administration & Governance

Diversify fundraising streams and build long-term financial sustainability in line with good governance and diligent risk management.

After 18 months of operations and passing through the establishment and initial growth phase of the Rainforest 4 Foundation, the 2019-2020 financial year saw increased financial support for the organisation's conservation projects.

In 2019-2020 significant investment in organisational development and conservation outcomes was supported by a generous contribution of €250,000. That contribution has been treated as a loan. This is a key reason the Rainforest 4 Foundation recorded an operating loss of \$72,633 in 2019-2020, however, as we have subsequently obtained ANBI registration (tax-deduction status) in the Netherlands this contribution will be converted from a loan to a gift over the next 5 years. This contribution is enabling us to scale our impact, grow the capacity of the organisation and build a sustainable operating base for our fundraising efforts well into the future.

While continuing to navigate through the financial and operational uncertainties arising from the COVID-19 pandemic, we are very grateful that many of our donors have been able to continue to support our work during this extraordinary and challenging time. The number of active donors in 2019-2020 was 2,861.

Having restructured our management team and engaged a Co-CEO, the organisation is well positioned to further increase its impact in the 2020-2021 financial year with several new reforestation and land buyback projects in the pipeline.

Principal Activities

The principal activity of Rainforest 4 Foundation Ltd during the 2019-2020 financial year was to raise money for the protection, enhancement of the natural environment. Specifically, the conservation of rainforests and the preservation of the biodiversity of rainforest ecosystems; the restoration, rehabilitation, enhancement and management of remnant and regrowth rainforest; the revegetation of ex-rainforest lands, including without limitation the establishment and ongoing management of rainforest plantings of significant ecological value.

No significant changes in the nature of the Company's activity occurred during the financial year.

Rainforest 4 Foundation Ltd

Directors' Report

30 June 2020

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:



Kelvin Davies

Director:



John Stevens

Dated 19 January 2021

Celebrating 100 years!



19 January 2021

Directors
Rainforest 4 Foundation Ltd
27 Tuckerroo Avenue
MULLUMBIMBY NSW 2482

**REGISTERED
COMPANY
AUDITORS**

GJ Smith
BBus, LLB, CA, DipFP

SI Tristum
BBus, CA, DipFP

TL Kirkland
BBus, CA

**SMSF
AUDITORS**

GJ Smith
BBus, LLB, CA, DipFP

SI Tristum
BBus, CA, DipFP

MJ Gahan
BBus, CA, DipFP

This declaration is made in connection with our audit of the financial report of Rainforest 4 Foundation Ltd for the year ended 30 June 2020 and in accordance with the provision of the Australian Charities and Not-for-profits Commission Act 2012.

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

- i. no contraventions of the auditor's 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.

Yours faithfully,

WCA audit & assurance services Pty Ltd
Authorised Audit Company

T. Kirkland

Tania L Kirkland
Director

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More than just Numbers

Rainforest 4 Foundation Ltd

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2020

| | | 2020 | 2019 |
|--|------|-----------------|---------------|
| | Note | \$ | \$ |
| Other income | 5 | 581,673 | 116,094 |
| Finance income | 6 | 121 | 3 |
| Interest expenses | 6 | (13,457) | - |
| Other expenses | 7 | (640,970) | (77,297) |
| Profit before income tax | | (72,633) | 38,800 |
| Income tax expense | | - | - |
| Profit for the year | | (72,633) | 38,800 |
| Total comprehensive income for the year | | (72,633) | 38,800 |

The accompanying notes form part of these financial statements.

Rainforest 4 Foundation Ltd

Statement of Financial Position

As At 30 June 2020

| | Note | 2020 \$ | 2019 \$ |
|--------------------------------------|------|-----------------|---------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 8 | 118,026 | 12,783 |
| Trade and other receivables | 9 | 147,206 | 66,626 |
| TOTAL CURRENT ASSETS | | 265,232 | 79,410 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | 161,850 | - |
| TOTAL NON-CURRENT ASSETS | | 161,850 | - |
| TOTAL ASSETS | | 427,082 | 79,410 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 33,497 | 2,910 |
| Borrowings | 12 | 153,811 | 37,700 |
| Employee benefits | 13 | 6,226 | - |
| TOTAL CURRENT LIABILITIES | | 193,534 | 40,610 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 12 | 267,381 | - |
| TOTAL NON-CURRENT LIABILITIES | | 267,381 | - |
| TOTAL LIABILITIES | | 460,915 | 40,610 |
| NET ASSETS | | (33,833) | 38,800 |
| EQUITY | | | |
| Retained earnings | | (33,833) | 38,800 |
| TOTAL EQUITY | | (33,833) | 38,800 |

The accompanying notes form part of these financial statements.

Rainforest 4 Foundation Ltd

Statement of Changes in Equity
For the Year Ended 30 June 2020

2020

| | Retained Earnings | Total |
|--------------------------------|------------------------------|-----------------|
| | \$ | \$ |
| Balance at 1 July 2019 | 38,800 | 38,800 |
| Profit/(loss) for the year | (72,633) | (72,633) |
| Balance at 30 June 2020 | (33,833) | (33,833) |

2019

| | Retained Earnings | Total |
|--------------------------------|------------------------------|---------------|
| | \$ | \$ |
| Balance at 1 July 2018 | - | - |
| Profit/(loss) for the year | 38,800 | 38,800 |
| Balance at 30 June 2019 | 38,800 | 38,800 |

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2020

| | Note | 2020 \$ | 2019 \$ |
|---|------|------------|------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Receipts from customers | | 530,746 | 51,122 |
| Payments to suppliers and employees | | (629,711) | (76,042) |
| Interest received | | 121 | 3 |
| Interest paid | | (13,457) | - |
| Net cash provided by/(used in) operating activities | 15 | (112,301) | (24,917) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase of property, plant and equipment | | (165,949) | - |
| Net cash provided by/(used in) investing activities | | (165,949) | - |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Payment of borrowings | | (44,126) | (3,250) |
| Other financing inflows | | 427,619 | 40,950 |
| Net cash provided by/(used in) financing activities | | 383,493 | 37,700 |
| Net increase/(decrease) in cash and cash equivalents held | | 105,243 | 12,783 |
| Cash and cash equivalents at beginning of year | | 12,783 | - |
| Cash and cash equivalents at end of financial year | 8 | 118,026 | 12,783 |

The accompanying notes form part of these financial statements.

Rainforest 4 Foundation Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report covers Rainforest 4 Foundation Ltd as an individual entity. Rainforest 4 Foundation Ltd is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of Rainforest 4 Foundation Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of those charged with Governance the Company is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The key changes to the Company's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

3 Summary of Significant Accounting Policies

(a) Revenue and other income

For comparative year

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(a) Revenue and other income

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Rainforest 4 Foundation Ltd receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations

Donations and bequests are recognised as revenue when received.

Revenue from contracts with customers

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

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

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the revaluation model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

| Fixed asset class | Depreciation rate |
|--------------------|-------------------|
| Freehold Land | 0% |
| Motor Vehicles | 20% |
| Computer Equipment | 50% |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(f) Financial instruments
Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

The organisation received very generous support from a major donor to develop the organisation operationally. EUR250,000 was made available as a loan to be converted into a donation over a period of five years. Binding conditional agreements are in place to this effect.

The intention is to use these funds to expand the operations, through marketing, branding, fundraising and outcomes based projects. We are looking forward to utilising some of this support to scale fundraising efforts in the new financial year.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(i) Major donor support

In 2019-2020 significant investment in organisational development and conservation outcomes was supported by a generous contribution of EUR250,000. That contribution has been treated as a loan. This is a key reason the Rainforest 4 Foundation recorded an operating loss of \$72,633 in 2019-2020. The Company has subsequently obtained ANBI registration (tax-deductible status) in the Netherlands and this contribution will be converted from a loan to a gift over the next 5 years.

This support is enabling the Company to scale its impact, grow the capacity of the organisation and build a sustainable operating base for fundraising efforts well into the future.

Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Summary of Significant Accounting Policies

(j) Going concern

During the financial year ended 30 June 2020 the Company has experienced an operating loss of \$(72,633) and has a negative equity balance of \$33,833. The continuing viability of the Company and its ability to continue as a going concern is dependent upon the Company converting a \$314,120 donor loan into donation income.

The directors are confident on the basis of the formal agreement in place stating, that the donor loan of \$314,120 which is shown as a liability in the financial statements, will be converted to donation income over the following four years.

(k) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

4 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

COVID-19 impact

As a result of the spread of COVID-19 pandemic, economic uncertainties have arisen which are likely to have a financial impact on the Entity. In the current period it has resulted in the entity limiting operations in relation to requesting donations during the government mandated lockdown period. There are additional financial impacts expected as a result of the spread of COVID-19 but these cannot yet be accurately measured.

Notes to the Financial Statements

For the Year Ended 30 June 2020

5 Revenue and Other Income

Revenue from continuing operations

| | 2020 | 2019 |
|----------------------|----------------|----------------|
| | \$ | \$ |
| Other Income | | |
| - ATO Cashflow Boost | 23,043 | - |
| - ATO Jobkeeper | 18,000 | - |
| - Donations | 520,119 | 116,094 |
| - Grants | 20,000 | - |
| - Sales | 511 | - |
| | 581,673 | 116,094 |

6 Finance Income and Expenses

Finance income

| | 2020 | 2019 |
|-----------------------------|------------|----------|
| | \$ | \$ |
| Interest income | | |
| Bank | 121 | 3 |
| Total finance income | 121 | 3 |

Finance expenses

| | 2020 | 2019 |
|-------------------------------|---------------|----------|
| | \$ | \$ |
| Social impact loan interest | 13,457 | - |
| Total finance expenses | 13,457 | - |

7 Result for the Year

The result for the year includes the following specific expenses:

| | 2020 | 2019 |
|--------------------------------------|---------|--------|
| | \$ | \$ |
| Other expenses: | | |
| Conservation projects contractors | 42,377 | 1,975 |
| Donation distributions | 32,937 | 8,457 |
| Fundraising expenses | 170,477 | 41,532 |
| Land donated | 52,880 | - |
| Marketing, communications & advocacy | 94,686 | 3,778 |
| Salaries & wages | 82,679 | - |

Notes to the Financial Statements

For the Year Ended 30 June 2020

8 Cash and Cash Equivalents

| | 2020 | 2019 |
|--------------------------|----------------|---------------|
| | \$ | \$ |
| Cash at bank and in hand | 118,026 | 12,783 |
| | <u>118,026</u> | <u>12,783</u> |

9 Trade and other receivables

| | 2020 | 2019 |
|--|----------------|---------------|
| | \$ | \$ |
| CURRENT | | |
| Trade receivables | 23,493 | 64,971 |
| Deposits | 25,000 | - |
| GST receivable | 5,060 | 1,655 |
| Accrued income | 93,653 | - |
| Total current trade and other receivables | <u>147,206</u> | <u>66,626</u> |

10 Property, plant and equipment

| | 2020 | 2019 |
|--|----------------|----------|
| | \$ | \$ |
| LAND AND BUILDINGS | | |
| Freehold land | | |
| At cost | 145,234 | - |
| Total Land | <u>145,234</u> | <u>-</u> |
| Total land and buildings | <u>145,234</u> | <u>-</u> |
| PLANT AND EQUIPMENT | | |
| Motor vehicles | | |
| At fair value | 15,000 | - |
| Accumulated depreciation | (2,492) | - |
| Total motor vehicles | <u>12,508</u> | <u>-</u> |
| Computer equipment | | |
| At cost | 5,715 | - |
| Accumulated depreciation | (1,607) | - |
| Total computer equipment | <u>4,108</u> | <u>-</u> |
| Total plant and equipment | <u>16,616</u> | <u>-</u> |
| Total property, plant and equipment | <u>161,850</u> | <u>-</u> |

Notes to the Financial Statements

For the Year Ended 30 June 2020

10 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

| | Land \$ | Motor Vehicles \$ | Computer Equipment \$ | Total \$ |
|---------------------------------------|----------------|-------------------------|-----------------------------|----------------|
| Year ended 30 June 2020 | | | | |
| Balance at the beginning of year | - | - | - | - |
| Additions | 145,234 | 15,000 | 5,715 | 165,949 |
| Depreciation expense | - | (2,492) | (1,607) | (4,099) |
| Balance at the end of the year | 145,234 | 12,508 | 4,108 | 161,850 |

11 Trade and Other Payables

| | Note | 2020 \$ | 2019 \$ |
|--------------------------|------|---------------|--------------|
| CURRENT | | | |
| Trade payables | | 18,638 | 2,910 |
| PAYG Withholding payable | | 10,442 | - |
| Superannuation payable | | 4,417 | - |
| | | 33,497 | 2,910 |

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Notes to the Financial Statements

For the Year Ended 30 June 2020

12 Borrowings

| | 2020 | 2019 |
|-------------------------------------|----------------|---------------|
| | \$ | \$ |
| CURRENT | | |
| Major Donor loan | 78,530 | - |
| Social impact loans | 75,281 | 37,700 |
| Total current borrowings | 153,811 | 37,700 |
| NON-CURRENT | | |
| Major Donor loan | 235,590 | - |
| Social impact loans | 31,792 | - |
| Total non-current borrowings | 267,382 | - |
| Total borrowings | 421,193 | 37,700 |

13 Employee Benefits

| | 2020 | 2019 |
|----------------------------|--------------|----------|
| | \$ | \$ |
| Current liabilities | | |
| Provision for annual leave | 6,226 | - |
| | 6,226 | - |

14 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None).

15 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

| | 2020 | 2019 |
|--|------------------|-----------------|
| | \$ | \$ |
| Profit for the year | (72,633) | 38,800 |
| Cash flows excluded from profit attributable to operating activities | | |
| Non-cash flows in profit: | | |
| - depreciation | 4,099 | - |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | 38,074 | (66,627) |
| - (increase)/decrease in other assets | (118,653) | - |
| - increase/(decrease) in trade and other payables | 30,586 | 2,910 |
| - increase/(decrease) in provisions | 6,226 | - |
| Cashflows from operations | (112,301) | (24,917) |

Notes to the Financial Statements
For the Year Ended 30 June 2020

16 Events after the end of the Reporting Period

The financial report was authorised for issue on 11 December 2020 by those charged with governance.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

17 Statutory Information

The registered office of the company is:

Rainforest 4 Foundation Ltd
27 Tuckeroo Avenue
Mullumbimby NSW 2482

The principal place of business is:

Rainforest 4 Foundation Ltd
Unit 1, 6-8 Burringbar Street
Mullumbimby NSW 2482

Rainforest 4 Foundation Ltd

Directors' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.


Kelvin Davies
John Stevens

Dated 19 January 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAINFOREST 4 FOUNDATION LTD

Opinion

We have audited the financial report Rainforest 4 Foundation Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, accompanying financial report of Rainforest 4 Foundation Ltd is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year then ended; and
- complying with Australian Accounting Standards to the extent described in Note 1, and 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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Going Concern

Without modifying our conclusion, we draw attention to note 3(j) in the financial report. A formal agreement is in place stating that the donor loan of \$314,120 shown as a liability in the financial statements will be converted to donation income over the following four year. These conditions, as set forth in Note 3(j), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

REGISTERED COMPANY AUDITORS

GJ Smith
BBus, LLB, CA, DipFP

SI Trustum
BBus, CA, DipFP

TL Kirkland
BBus, CA

SMSF AUDITORS

GJ Smith
BBus, LLB, CA, DipFP

SI Trustum
BBus, CA, DipFP

MJ Gahan
BBus, CA, DipFP

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Celebrating 100 years



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
RAINFOREST 4 FOUNDATION LTD

Other Matter

The financial report of the company for the year ended 30 June 2019 was not audited by this firm or another auditor. Therefore, no opinion was expressed in relation to the financial report on 7 November 2019.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors 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 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 at:

<http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

WCA audit & assurance services pty ltd
Authorised Audit Company

T. Kirkland

Tania L Kirkland
Director

DATE: 19 January 2021
62 WOODLARK STREET
LISMORE NSW 2480

**REGISTERED
COMPANY
AUDITORS**

GJ Smith
BBus, LLB, CA, DipFP

SI Truistum
BBus, CA, DipFP

TL Kirkland
BBus, CA

**SMSF
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More than just Numbers

Rainforest 4 Foundation Ltd
For the Year Ended 30 June 2020

Profit and Loss Account

| | 2020 | 2019 |
|--|-----------------|----------------|
| | \$ | \$ |
| Income | | |
| Donations | 520,119 | 116,094 |
| Grants | 20,000 | - |
| Interest income | 121 | 3 |
| Other income | 41,554 | - |
| Total income | 581,794 | 116,097 |
| Less: Expenses | | |
| Conservation management activities | 17,643 | 205 |
| Conservation projects | 160,811 | 14,972 |
| Fundraising activities | 110,939 | 54,294 |
| Office expenses | 21,736 | 3,944 |
| Operating expenses | 154,427 | 3,883 |
| Setup costs | 4,413 | - |
| Major donor supported organisational development | 59,641 | - |
| Major donor supported fundraising development | 22,459 | - |
| Social impact supported fundraising development | 102,357 | - |
| Total Expenses | 654,427 | 77,297 |
| | (72,633) | 38,800 |
| Profit before income tax | (72,633) | 38,800 |