

MORELAND ENERGY FOUNDATION LIMITED
ABN: 72 095 439 160
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2018

MORELAND ENERGY FOUNDATION LIMITED
ABN: 72 095 439 160

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MORELAND ENERGY FOUNDATION LIMITED
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REPORT OF THE DIRECTORS

Your directors present their report on the company for the financial year ended 30 June 2018. In order to comply with the provisions of the Australian Charities and Not-for-Profits Commission Act 2012 (ACNC Act), the directors report as follows:

1. Directors

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

Travis NEAL	(Chairperson) Appointed 27 th February 2018
Monique CONHEADY	(Chairperson) Resigned 14 th May 2018
Rosemary Anne BISSETT	
Andrew Hinton HEWETT	
Alison ROWE	(Chief Executive Officer)
James Donald SCOTT	
Catherine Wendy LESLIE	
Dale Matthew MARTIN	
Dugald MURRAY	

Company Secretary at end of the financial year:

Ian MacDonald THOMAS (Bachelor Arts) (Accounting) CPA

2. Principal Activities

The principal activity of the company during the financial year was to provide advice, education and project implementation services relating to reducing greenhouse gas emissions and demonstrating best practice in energy demand management.

3. Short-term and Long-term Objectives

The entity's short-term objectives are detailed each year through the annual budget setting process. Performance is regularly monitored by the Board of Directors and is measured on financial operating results and against the objectives and targets detailed as specific focus areas in the Annual Budget and associated Program Plans. All activities are guided by our Mission Statement that *"MEFL works with households, businesses, community groups, and governments on innovative approaches to implementing sustainable energy supply and reducing energy use"*.

MEFL achieves these short-term program objectives in practice through a range of initiatives including delivering services to households and businesses via its Positive Charge services, the Energy Smart and Healthy Homes energy efficiency programs, ongoing implementation of the Moreland community climate action plan (Zero Carbon Evolution) and a range of business services provided to various governments, corporate and community partners.

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REPORT OF THE DIRECTORS (CONTINUED)

The entity's longer term objectives are summarised as Key Strategic Priorities in the 2018 MEFL Strategic Plan. The Strategic Plan describes MEFL's vision is "An equitable zero carbon society." and MEFL's role is "to accelerate the energy transition by empowering communities to take action". The Key Strategic Goals leading towards MEFL's vision are -

1. We create, demonstrate and share clear transition pathways to a zero carbon society,
2. We increase energy efficiency and investment in renewable energy in Australia; and
3. We are a sustainable organisation.

4. Strategies for achieving objectives

The strategy to achieve both short-term and long-term objectives is to continue working with all groups mentioned above and further develop the organisation's capacity and capability.

Strategic Partners

A Funding Agreement originally signed between Moreland Energy Foundation Limited and Moreland City Council in 2000 provided MEFL with funding based on interest earned on \$5M of investments from the forced sale of the former Brunswick and Coburg Councils' Electricity Supply Departments. The current agreement is for the period 2015-2020, with an amount provided of \$417,167 in 2018 (2017: \$404,000) exclusive of GST. Whilst Moreland City Council were the first and have always been MEFL's strongest and most significant partner, we have been working outside of Moreland for the past 10 years and now have strong relationships with more than 20 councils across Victoria. We are further expanding our horizons and broadening our partnerships to include councils in NSW, South Australia and Queensland. In Victoria we deliver projects with the Department of Health and Human Services (DHHS), Department of Environment, Land, Water and Planning (DELWP), Department of Economic Development, Jobs, Transport and Resources (DEDJTR) and Sustainability Victoria. Our relationships with Local Government have expanded to include a new significant partner the South Sydney Regional Organisation of Councils (SSROC), which has proven to be a critical conduit between us and their local government members.

5. Performance Measures

The company measures its performance via:

- (i) Reduction in emissions attributable to its activities and programs
- (ii) Level of partner satisfaction compared with targets
- (iii) Effectiveness in influencing the policy and practices of targeted institutions
- (iv) Performance against the annual budget as endorsed
- (v) Staff Satisfaction survey

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REPORT OF THE DIRECTORS (CONTINUED)

6. Review of Operations

The operations of the company for the year ended 30 June 2018 resulted in an operating surplus of \$310,791 (2017: Deficit - \$294,291). The net assets of the company as at 30 June 2018 were \$778,188 compared to \$467,397 as at 30 June 2017.

7. Meeting of Directors

During the financial year seven meetings of directors were held. Attendances by each director were as follows:

<u>Meeting of Directors</u>	Number of Meetings Held while a Director	Number Attended
Attended		
Monique CONHEADY	6	6
Rosemary BISSETT	7	6
Andrew HEWETT	7	6
Alison ROWE	7	7
Travis NEAL	3	3
James SCOTT	7	6
Catherine LESLIE	7	6
Dale MARTIN	7	6
Dugald MURRAY	7	4

8. Directors Emoluments

No director of the company has received or become entitled to receive a benefit (other than a benefit included in fixed salary as a full time employee of the company) by reason of a contract made or proposed by the company or a related corporation with the director or with a firm of which he/she is a member or with a company in which he/she has a substantial financial interest.

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REPORT OF THE DIRECTORS (CONTINUED)

9. Information and Qualifications of Directors

DIRECTOR	QUALIFICATIONS	EXPERIENCE	BOARD FUNCTION
Monique Conheady	BA, BEng (Honours) and GAICD	Commissioner, Taxi Services Commission (TSC), Director, Victorian Responsible Gambling Foundation (VRGF), Member, Environment Protection Agency (EPA) Interim Board, Chair, TSC Audit & Risk Committee, Chair, EPA People & Culture Committee, Member, VRGF Risk & Finance Committee.	Board Member and Chair (Until 14 th May 2018)
Rosemary Bissett	B. Ed., M App Sci, MBA, MRACI C Chem, Grad AICD	Head of Sustainability Governance and Risk, National Australia Bank, Director, Sustainable Business Australia, North East Water	Board Member (from 6 th Nov 2002)
Travis NEAL	B Bus (Accounting), Chartered Accountant, Grad AICD	CFO Senvion Australia and Pacific	Board Member (from 27 th February 2018) Chair (From 14 th May 2018)
James Scott	B Bus (Accounting), Chartered Accountant	Director Corporate Services, Moreland City Council	Board Member (from 19 th Dec 2011)
Catherine Wendy Leslie	BA/LLB	Lawyer, Victoria Legal Aid	Board Member (from 28 th October 2014)
Andrew Hewett		Formerly Executive Director, Oxfam Australia	Board Member (from 19 th Nov 2010)
Alison Rowe	MBA, Grad Dip Technology Management, MAICD	Chair Future Business Council, Formerly; Global Executive Director Sustainability at Fujitsu Limited, Director Infrastructure Sustainability Council Australia, Director Environment Victoria and Director Bioregional Australia.	CEO and Board Member (from 18 th July 2016)
Dale Martin	B. Business (Economics and Finance), Master of Energy Systems degree	Moreland City Councillor, Advisory and analyst roles in public sector and for Australian Energy market Operator.	Board Member (from 6 th Dec 2016)
Dugald Murray	B. Business (Economics)	Executive Director Public Affairs Victorian Chamber of Commerce. Industry Director at Nous Consulting Group and Wildlife Victoria. Formerly Chief of Staff and Senior Adviser to Australian and Victorian Ministers, Chief Economist at Australian Conservation Foundation.	Board Member (from 20 th Sep 2016)

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REPORT OF THE DIRECTORS (CONTINUED)

10. Members Guarantee

The company is registered with the *Australian Charities and Not-for-Profit Commission* and is limited by guarantee. If the company is wound up, the company constitution states that community members are not required to contribute towards meeting any outstanding obligations of the company. On winding up, the assets of the company must be transferred to the Moreland City Council.

Signed at Brunswick, in accordance with a resolution of the Board of Moreland Energy Foundation Limited.

Dated:



.....
Travis NEAL
Chair



.....
James SCOTT
Director

MORELAND ENERGY FOUNDATION LIMITED
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RESPONSIBLE PERSONS DECLARATION

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

- (a) 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
- (b) the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and give a true and fair view of the financial position of the registered entity as at 30 June 2018 and its performance for the year ended on that date.

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



.....
Travis NEAL
Chair



.....
James SCOTT
Director

Signed at Brunswick on

day of September 2018.

MORELAND ENERGY FOUNDATION LIMITED
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**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2018**

	Note	2018 \$	2017 \$
Revenue	2	6,756,716	2,390,651
Employee Benefit Expenses	3	(3,046,962)	(1,859,094)
Project Costs		(2,979,717)	(583,014)
Depreciation Expense		(38,988)	(20,972)
Auditors Remuneration - Statutory Audit		(11,350)	(9,450)
Rental Expense		(42,979)	(42,239)
Other Expenses	4	(325,929)	(170,173)
Net Current year surplus/(deficit)		<u>310,791</u>	<u>(294,291)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income attributable to members of the entity		<u>310,791</u>	<u>(294,291)</u>

The accompanying notes form part of the financial statements.

MORELAND ENERGY FOUNDATION LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	5	2,740,725	2,058,787
Accounts receivable and other debtors	6	1,434,243	969,970
Prepayments		51,691	17,828
Other financial assets	11	4,331	4,092
Inventories on hand		70,885	9,900
TOTAL CURRENT ASSETS		<u>4,301,875</u>	<u>3,060,577</u>
NON CURRENT ASSETS			
Accounts receivable and other debtors	6	11,000	11,000
Plant and equipment	7	105,561	91,532
Other financial assets	11	10,444	14,153
TOTAL NON CURRENT ASSETS		<u>127,005</u>	<u>116,685</u>
TOTAL ASSETS		<u>4,428,880</u>	<u>3,177,262</u>
CURRENT LIABILITIES			
Accounts payable and other payables	8	3,427,358	2,505,104
Borrowings	9	40,000	40,000
Provisions	10	169,204	113,080
TOTAL CURRENT LIABILITIES		<u>3,636,562</u>	<u>2,658,184</u>
NON CURRENT LIABILITIES			
Borrowings	9	-	40,000
Provisions	10	14,130	11,681
TOTAL NON CURRENT LIABILITIES		<u>14,130</u>	<u>51,681</u>
TOTAL LIABILITIES		<u>3,650,692</u>	<u>2,709,865</u>
NET ASSETS		<u>778,188</u>	<u>467,397</u>
EQUITY			
Retained Surplus		<u>778,188</u>	<u>467,397</u>

The accompanying notes form part of the financial statements.

MORELAND ENERGY FOUNDATION LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2018

	Retained Surplus \$
Balance at 1 July 2016	761,688
Operating (deficit) 2017	(294,291)
Balance at 30 June 2017	----- 467,397
Operating surplus 2018	310,791
Balance at 30 June 2018	----- ----- 778,188

The accompanying notes form part of the financial statements.

MORELAND ENERGY FOUNDATION LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2018

	Note	2018 \$	2017 \$
Cash Flow from Operating Activities			
Interest received		39,479	21,688
Moreland City Council funding		715,396	764,112
Consultancy, partnerships and government grants		5,934,761	3,197,082
Other income		12,053	26,562
Employee and related services expenditure		(3,113,673)	(2,106,749)
Operating expenditure		(2,816,495)	(414,880)
Net Cash Provided By Operating Activities	13	771,521	1,487,815
Cash Flow from Investing Activities			
Purchase of plant and equipment		(53,053)	(62,389)
Proceeds on sale of plant & equipment		-	475
Investment Loan – Solar PV repaid/(provided)		3,470	2,310
Net Cash (Used) By Investing Activities		(49,583)	(59,604)
Cash Flow from Financing Activities			
Loan - Social Traders Ltd (repayments)		(40,000)	(40,000)
Net Cash (Used) By from Financing Activities		(40,000)	(40,000)
Net increase in cash held		681,938	1,388,211
Cash at Bank at beginning of the financial year		2,058,787	670,576
Cash at Bank at the end of the financial year	5	2,740,725	2,058,787

The accompanying notes form part of the financial statements.

MORELAND ENERGY FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Moreland Energy Foundation Limited as an individual entity, incorporated and domiciled in Australia, and is a company limited by guarantee.

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial reports. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards:

- AASB 101: *Presentation of Financial Statements*
- AASB 107: *Cash Flow Statements*
- AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*
- AASB 1048: *Interpretation of Standards*
- AASB 1054: *Australian Additional Disclosures*.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue by the directors of the company at the date of signing the financial statements.

a. Taxation

The Company is a tax – exempt body under the *Income Tax Act 1997* and therefore does not account for income tax.

b. Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets is depreciated over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The various classes of depreciable assets are depreciated on a straight line basis or diminishing value basis at between 10% to 33% per annum.

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period which they arise.

c. Employee Benefits

Short-term employee benefits

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

The company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service.

Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to Corporate Bond rates. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefit expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

d. General funding and Revenue

Moreland City Council Funding is recognised as income in the financial year to which the funding relates irrespective of when received.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Government Grants

Government Grant income is treated as an unexpended income (liability) to the extent it has not been expended on a project which requires strict accountability and compliance with certain undertakings and outcomes.

f. Fee for Service Project Income

Fee for service project income is treated as an unexpended liability to the extent it has not been expended on the project to which it relates.

g. Recognition of Income

The company receives operational grants which are recognised as income when received. It also receives certain grants with milestones stipulating certain outcomes required and necessary expenditure. When these outcomes or expenditure have not been achieved or moneys not expended, then the income is treated as unexpended and recognised as a current liability at balance date.

h. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

i. Provisions

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

j. Accounts Payable and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

k. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of twelve months or less.

l. Inventories on Hand

Inventories are measured at the lower of cost and current replacement cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Impairment of Assets

At each reporting date the company's management reviews its assets to determine whether there is any indication that those assets are impaired if such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

n. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Judgements

Unearned Income

Unearned Income is ascertained by management assessing the level of completion of project grants and attributing actual expenditure incurred, including an allowance for on costs from any specific project grant received.

o. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis.

p. Comparative Figures

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

Where the company retrospectively applies an accounting policy, makes a material retrospective restatement or materially reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements must be presented.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standards are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 1058: Income of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q. New Accounting Standards for Application in Future Periods (Continued)

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004: Contributions.

Although the directors anticipate that the adoption of AASB 1058 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2016-4: Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2017).

This Standard amends AASB 136: Impairment of Assets to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities; and clarify that AASB 136 does not apply to non-cash-generating specialised assets that are regularly revalued to fair value under the revaluation model in AASB 116 and AASB 138: Intangible Assets, but applies to such assets accounted for under the cost model in those Statements.

AASB 2016-4 is not expected to have a significant impact on the company's financial statements.

MORELAND ENERGY FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2018

	2018	2017
	\$	\$
2. REVENUE		
Moreland City Council Funding	715,396	764,112
Consultancy Fees & Project Income	5,990,236	1,575,741
Interest Earned	39,031	23,364
Membership Fees	423	1,635
Donations	-	2,155
Sundry Income	11,630	23,644
	<u>6,756,716</u>	<u>2,390,651</u>
3. EMPLOYEE BENEFITS EXPENSE		
Wages and Salaries	2,615,409	1,633,540
Superannuation	239,972	140,864
Work Cover	25,454	18,417
Contract Staff	-	26,983
Provision for Annual Leave	52,398	22,294
Provision for Long Service	6,174	(41,613)
Payroll Tax	107,555	58,609
	<u>3,046,962</u>	<u>1,859,094</u>
4. EXPENDITURE ON OPERATING ACTIVITIES		
Printing, Stationery & Design	6,998	4,129
Bank Charges	829	901
Computer Expenses	1,698	1,812
Consultant Advice	52,729	24,922
Telephone and Internet	19,090	11,541
Conferences and Travelling Expenses	55,972	24,852
Subscriptions and memberships	11,561	3,964
Premises Cost	11,445	11,245
Sub Contract Services	94,121	7,395
Other	71,486	79,412
	<u>325,929</u>	<u>170,173</u>
5. CASH AND CASH EQUIVALENTS		
Cash at Bank – Operating Accounts	2,140,486	1,458,552
Cash at Bank – Fixed Term Deposits	600,000	600,000
Petty Cash	239	235
	<u>2,740,725</u>	<u>2,058,787</u>

MORELAND ENERGY FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2018

	2018	2017
	\$	\$
6. ACCOUNTS RECEIVABLE AND OTHER DEBTORS		
Current		
Trade Debtors	287,103	884,570
Interest Receivable	1,504	1,952
Accrued Income	1,145,636	83,448
	-----	-----
	1,434,243	969,970
	-----	-----
Non-Current		
Rental Security Bond	11,000	11,000
	-----	-----
	-----	-----
7. PLANT AND EQUIPMENT		
Office Equipment at Cost	4,747	3,877
Less Accumulated Depreciation	3,264	2,454
	-----	-----
Total Office Equipment	1,483	1,423
	-----	-----
Office Furniture at Cost	42,504	42,504
Less Accumulated Depreciation	31,740	28,468
	-----	-----
Total Office Furniture	10,764	14,036
	-----	-----
Computer Equipment at Cost	96,371	57,230
Less Accumulated Depreciation	53,255	41,610
	-----	-----
Total Computer Equipment	43,116	15,620
	-----	-----
Software at Cost	2,698	2,698
Less Accumulated Depreciation	2,698	2,698
	-----	-----
Total Software	-	-
	-----	-----
Plant and Equipment at Cost	27,991	26,491
Less Accumulated Depreciation	23,269	21,962
	-----	-----
Total Plant and Equipment	4,722	4,529
	-----	-----

MORELAND ENERGY FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2018

	2018	2017
	\$	\$
7. PLANT AND EQUIPMENT (CONTINUED)		
Leasehold Improvement at Cost	85,751	75,639
Less Accumulated Amortisation	43,555	24,088
	-----	-----
Total Leasehold Improvements	42,196	51,551
	-----	-----
Vehicles at Cost	9,571	9,571
Less Accumulated Depreciation	6,291	5,198
	-----	-----
	3,280	4,373
	-----	-----
Total Plant and Equipment at Cost	269,633	218,010
Less Total Accumulated Depreciation & Amortisation	164,072	126,478
	-----	-----
Net Carrying amount	105,561	91,532
	-----	-----
8. ACCOUNTS PAYABLE AND OTHER PAYABLES		
Trade Creditors	463,403	74,454
Unexpended Project Grants and Unearned Income	2,554,753	2,145,507
GST Payable	161,656	191,419
PAYG Payable	55,890	33,699
Superannuation Payable	24,351	-
Wages Payable	47,852	37,731
Accrued Expenses	114,638	20,092
Other Payables	4,815	2,202
	-----	-----
	3,427,358	2,505,104
	-----	-----
9. BORROWINGS		
Current		
Loan Social Traders	40,000	40,000
	-----	-----
Non-Current		
Loan Social Traders	-	40,000
	-----	-----
	40,000	80,000
	-----	-----

MORELAND ENERGY FOUNDATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2018

	2018	2017
	\$	\$
9. BORROWINGS (Cont'd)		
The loan from Social Traders is an unsecured loan. During the 30 June 2015 year the terms of the loan were extended from 3 years to 5 years. The loan is interest bearing at 5% per annum with interest and principal repayments due over the 5 years.		
10. PROVISIONS		
Current		
Annual Leave	142,189	89,790
Long Service Leave	27,015	23,290
	169,204	113,080
Non-Current		
Long Service Leave	14,130	11,681
	183,334	124,761
11. OTHER FINANCIAL ASSETS		
Current		
Loans – Solar PV	4,331	4,092
	4,331	4,092
Non-Current		
Shares unlisted entity – available for sale	1,000	1,000
Loans – Solar PV	9,444	13,153
	10,444	14,153
	14,775	18,245

Loans – Solar PV

As at 30 June 2018, MEFL has provided loans to three organisations for the purpose of financing the cost of a solar PV. The term of the loans is five years with interest rate of 4% per annum. Interest is payable in arrears at each quarter.

12. MEMBERS GUARANTEE

On winding up, the company's assets are to be distributed to the Moreland City Council and according to the constitution of the company no members are required to contribute to any outstanding obligations of the company on winding up.

MORELAND ENERGY FOUNDATION LIMITED
ABN: 72 095 439 160

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2018

	2018	2017
	\$	\$
13. RECONCILIATION OF CASH FLOWS WITH CURRENT YEAR SURPLUS		
Operating Surplus/(Deficit)	310,791	(294,291)
Non-cash flow items in surplus/(deficit):		
Loss on sale of plant and equipment	36	621
Depreciation	38,988	20,972
Changes in assets and liabilities:		
(Increase)/decrease in assets		
Accounts receivable and other debtors	(464,273)	(325,431)
Prepayments	(33,863)	(5,276)
Inventory	(60,985)	(9,900)
Increase/(decrease) in liabilities		
Accounts payable and other payables	922,254	2,120,439
Provisions	58,573	(19,319)
	771,521	1,487,815
Net cash provided by operating activities	771,521	1,487,815

14. COMMITMENTS
Occupancy lease

The company has a lease for occupancy at Suite 6, 200 Sydney Road, Brunswick. The occupancy commenced on the 1st October 2012, the period of the lease for five years expiring 30th September 2017. Lease has been renewed effective 1st October 2017, the period of the lease is for a further three years. The annual rental as per renewed agreement is \$42,448 plus GST, thereafter indexed by 5% annually on 1st October. The rent is to be paid in equal monthly instalments in advance.

Telephone systems lease

The company entered an operating lease with Telstra in May 2014 for the provision of a new telephone system. The period of the lease is five years with monthly payments of \$292.85 plus GST. Upon completion of the lease (but not before) the title of the equipment supplied will pass to the company. At this point the equipment will be recorded in the accounts of the company at fair value.

Vehicle Leases

The company entered into two operating lease agreements for two vehicles. The operating leases commenced on 14th July 2017. The period of the lease is two years with monthly payments of \$795.00 plus GST.

15. REGISTERED OFFICE

The registered office of the company is:
 Level 1, 200 Sydney Road
 Brunswick VIC 3056