Yarra Ranges Tourism Ltd

ABN 88 120 061 109

Financial Report

for the Year Ended 30 June 2022

DIRECTORS REPORT

Your directors present this report on the company for the financial year ended 30 June 2022.

Directors

The names of each person who has been a director during the year and to the date of this report are:

James Robinson – Independent Chair (appointed 15/10/2014)
Kathleen McClusky - Yarra Ranges Council Nominated Director (appointed 25/03/2020)
Carl Cowie – Council Nominated Director (appointed 25/03/2020)
Leigh Harry – Skills Based Director (appointed 11/01/2017)
Michael Hands - Skills Based Director (appointed 13/10/2020)
Kristina Burke - Skills Based Director (appointed 13/10/2020)
Peter Abbott – Skills Based Director (appointed 20/10/2021)

Chanmali Tregambe - Industry partner Director (appointed 21/20/2020)
Helene Campbell – Industry Partner Director (appointed 20/04/2021)
Sam Maddock – Industry Partner Director (appointed 20/10/2021)
Daniel Tokar – Industry Partner Director (appointed 20/10/2021)
Martin Cheney - Industry Partner Director (appointed 20/10/2021)

Kathleen Toal – Industry Partner Director (appointed 21/10/2020)
Kine Haughland – Industry Partner Alternate Director (appointed 22/02/2021)
Christine Birch – Industry Partner Alternate Director (appointed 20/10/2021)
Angela Bush – Industry Partner Alternate Director (appointed 20/10/2021)
Frances Caltieri – Industry Partner Alternate Director (appointed 20/10/2021)

Cleo Silva – Industry Partner Directors (appointed 16/10/2019, resigned 10/8/2021)
Peta Godenzi - Industry Partner Alternative Director (appointed 17/10/2018, resigned 10/8/2021)
Nicole Esdaile - Industry Partner Director (appointed 20/02/2019, resigned 20/10/2021)
Tim Shand – Industry Partner Alternative Director (appointed 16/10/2019, resigned 20/10/2021)
Glenda Noffke – Industry Partner Director (appointed 25/03/2020, resigned 20/10/2021)
Andrew Blount-Greene – Industry Partner Alternative Director (appointed 17/10/2018, resigned 20/10/2021)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the company during the financial year was to lead collaborative marketing of tourism for the Yarra Valley and Dandenong Ranges. All our work is facilitated by effective partnerships that embrace industry and product diversity to attract, service and retain the visitor.

The Coronavirus Pandemic and the Dandenong Ranges Storm Event of 9 June 2021 continued to impact our work in the 2021-22 year. Both dramatically impacted the shut down or restriction of the tourism industry and shifted our focus in the areas of crisis response and recovery. The ongoing workforce shortages created by the Pandemic also led to an inability of industry to participate in many of our activities, such as our industry strengthening program and specific upskilling workshops.

DIRECTORS REPORT

Short-term and Long-term Objectives

The company's short-term & immediate objectives have been to:

- Market & facilitate the development of the Yarra Valley and Dandenong Ranges visitor economy, maximising the economic and social benefits that flow to the region;
- increase visit yield through length of stay and spend;
- Increase reasons to visit through integrated experiences to enhance visitor satisfaction;
- Increase the benefits to all stakeholders through a diverse and sustainable visitor economy;
- Increase mid-week and off-peak visitation; and
- facilitate regional tourism response and recovery to the COVID-19 pandemic.

The company's long-term objectives are:

- Develop an engaged tourism industry that works collectively to attract visitors to the region;
- Connecting local business to global markets, interstate & international;
- Develop a captivating region that refreshes its experiences and is known for renewal
  Achieve high visitor satisfaction and service standards across the region;
- Achieve a seven day a week visitor economy;
- Have a supportive state and local government framework of funding and in-kind support;
- Facilitate quality tourism infrastructure that supports a sustainable destination;
- Achieve high performing websites and social media that promote the region supported by consumer database assets; and
- Provide effective governance and Board culture, with an engaged and invested tourism industry.

Strategies

To achieve its stated objectives, the Strategic Plan for 2021-2026 highlights the key result areas of:

- Recovery – supporting the region's visitor economy from to the Coronavirus pandemic;
- Marketing – increasing visitor numbers, length of stay, dispersal and spend;
- Product Development – creating high quality experiences for the visitor;
- Visitor Servicing– Having efficient and effective visitor services;
- Strategic Partnerships – Actively engaging industry and government for the benefit of the visitor economy; and

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. Each year the organisation develops a One Year Action Plan that is based on the key result areas of its Strategic Plan. Each key result area has identified success factors for the organisation. Broadly success for the organisation is measured by: improved average visitor spend, increased length of stay, regional job creation, improved industry skills, enhanced visitor satisfaction and increased stakeholder engagement.

New Accounting Standards Implemented

The Entity has implemented three new Accounting Standards that are applicable for the current reporting period.

AASB 15: Revenue from Contracts with Customers, AASB 1058: Income of Not-for-Profit Entities and AASB 16: Leases have been applied using the cumulative effect method; that is, by recognising the cumulative effect of initially applying AASB 15, AASB 1058 and AASB 16 as an adjustment to the opening balance of equity at 1 July 2020. Therefore, the comparative information has not been restated and continues to be reported under AASB 118: Revenue, AASB 117: Leases and AASB 1004: Contributions. Also to note in relation to AASB 16 is that the entity applied the temporary relief for peppercorn leases under AASB 2018-8 to measure the right of use assets at cost on initial recognition. Further information is provided in Note 1.

DIRECTORS REPORT

Key Successes in 2021-22

- Pandemic leadership, advocacy and industry support continued as a key focus for the organisation, balancing opportunities to market the region when government restrictions allowed. Ongoing advocacy to Government for the support needed to ensure the survival of the local business and jobs in the visitor economy.
- Regional Tourism funding success saw a total of $360K for Enabling Tourism Fund projects in the region awarded to Yarra Ranges Tourism, Big 4 Yarra Valley Park Lane. A total of $4.265M for Regional Tourism Infrastructure Fund projects awarded to Helen and Joeys Estate, Pinehill Caravan park and Yarra Valley Gourmet Foods. While the Yarra Valley Trail Stage 2A received support through the Federal Election of $4.7M.
- Dandenong Ranges Storm recovery – the organisation was successful in receiving $80Kfrom the State Government to support business resilience, mentoring and investigation of insurance issues.
- Hosting the first Annual Industry Summit in two years (due to the Pandemic), attracting 160 industry operators and staff.
- Transition of the Corporate Website yarrarangestourism.com.au to integrate with the same platform as our consumer website.
- Digital Performance – overall performance numbers continued to be lower than pre-pandemic times as visitors were unable to travel. The transition of visityarravalley.com.au and dandenongranges.com.au onto one platform saw a reset of web visitation numbers, as the new site architecture builds ranking stature with the search engines and modernises the way consumers find information. Despite we saw:
    - No 1 ranking on Google, Bing & Yahoo for our regional destination names, and consistently top search results for “Accommodation” and “Things To Do”
    - Combined digital websites generating annual page visits of 1.6M
- Maintained the use of our ‘FIND YOUR SELF’ brand as the umbrella campaign for both the Yarra Valley and Dandenong Ranges, whilst introducing a new ‘Choose You Own Adventure’ sub-campaign to align with consumer sentiment to explore nature-based activities.
- Collaborative content partnerships with Visit Victoria, We Are Explorers and Time Out. In addition to a new ambassador trial for social media with Jess and Sarah Hosking (Twin players of the Richmond AFLW team)
- The Off-Peak Weddings program sought to re-activate this key driver of spend and stay within our region. The organisation team planned several additional activities as venues adapted to the various event restrictions. The Quickie activity hosted five love ceremonies at Cherry Hill Orchard with a suite of our Partners on Valentine's Day as a major public relations activity.
- Maintaining international trade relationships continued through our joint venture partnership with other regional tourism organisations - Go Beyond Melbourne Inc. In addition, we attended ATEC meeting place and Australian Tourism Exchange. The last quarter saw several short haul markets return including: Singapore, Malaysia and Vietnam.
- Our Digital Visitor Information Kiosks received an upgrade of their web platform providing a fresh new look for our 28 locations. A further four are still available for new installations. Continued maintenance and servicing of the Visitor Map Information Carousels at key tourist locations and metropolitan railway stations was also maintained. Both services saw dramatically reduced use due to the Metro Melbourne lockdowns and business restrictions due to the Pandemic.
- Social Media assets marketing the region
    - 70,106 Facebook Likes, 1.9M reach (Organic & Paid), 42K Engagement
    - 40,005 Instagram Followers, with total image reach of 797K
- Event Grants (Yarra Ranges LGA) assisted support of the following activations: Yarra Valley Writers Festival and Rose Evolution.
- Renewed Local Government funding partnerships for a further year with Yarra Ranges Shire Council, Nillumbik Shire Council and Manningham City Council to promote their parts of the Yarra Valley and Dandenong Ranges.
- Delivery of the $100,000 Tourism Enterprise Scholarship Program to address youth employment disengagement ages 18-25. The program combines study (Cert 3 Tourism), work placements and mentoring to promote the diversity of careers in the tourism industry. A total of 10 Scholarships were offered, with 9 starting the program and 7 remaining in the program.
  Delivery of the Industry Strengthening program to support tourism businesses recovery from the Pandemic through the initiatives of workshops, digital mentoring and online sessions to support capacity and capability of the sector.

- Business Partnerships numbers slightly down on the prior year as we ceased offering servicing for free when the industry lockdowns were removed. Total Partnerships were only 1.3% which was largely due to business closures as a result of the Pandemic. In this period, we welcomed 42 new Partners (Including Off Peak Weddings and Business Events) and lost 49 Partners.

DIRECTORS REPORT

Key Success Metrics in 2021-22

	2022		2021	
	Actual	**Target**	**Actual**	**Target**
Industry Engagement				
Number of Tourism Marketing Partners	436	450	456	474
Number of Trade Partners	7	10	10	25
No of Industry Subscribers to E news	2060	2,000	2,033	2,000
Industry E News avg. open rate	36%	35%	37%	35%
Annual Summit Attendees	160	130	n/a	n/a
Digital Marketing				
visityarravalley.com.au / visitdandenongranges.com.au				
total unique views	450,693	650,000	599,843	711,122
total page views	1,563,670	2,000,000	1,960,488	2,687,582
average time on page	4:19	3:30	3:49	3:30
average bounce rate	56%	25%	7%	25%
Consumer database subscribers	22,000	25,000	21,083	25,000
Consumer eDM open rate	13%	18%	24%	18%
Facebook @YarraValley and Dandenong Ranges Likes	70,106	70,000	66,150	62,500
Total Facebook Posts	500	450	546	450
Instagram @yarravalleydandenongranges followers	40,005	40,000	36,800	25,000
Instagram @offpeakweddings followers	9,700	14,000	10,600	5,000
Operational and financial				
Proportion of funding provided by:				
– Local government funding	46%	n/a	57%	n/a
– State government funding	39%	n/a	32%	n/a
– Local industry funding	15%	n/a	11%	n/a
Proportion of funding spent on:				
– Marketing programs	36%	n/a	42%	n/a
– Visitor Servicing	9%	n/a	11%	n/a
– Tourism Support Services	55%	n/a	47%	n/a

Note: With changing privacy settings on mobile devices such as apple, digital performance statistics are being impacted across all digital marketing activities, leading to underrated actual results.

DIRECTORS REPORT

Information on Directors

James Robinson	–	Director – Appointed 15/10/2014
Qualifications	–	Master Business Administration
	–	Bachelor of Commerce
	–	Graduate Australian Institute of Company Directors
Experience	–	Strong marketing (digital and mobile) and sales experience across businesses of all sizes. CEO roles for consumer product businesses in Australia, Europe and Asia, and was a member of the New Zealand Food and Grocery Council.
Special Responsibilities	–	Independent Chair, Tourism Crisis Response and Recovery Sub Committee, Strategic Plan & DMP Sub Committee

Kath McClusky	–	Director – Appointed 25/03/2020
Qualifications	–	B. App. Sci - Planning
Experience	–	Director Planning, Design and Development at Yarra Ranges Council, with over 22 years' experience in local government planning and economic development she has worked across regional and metropolitan environments. Her experience has also included time in the private sector. Her years of senior leadership experience in both the public and private sectors. Her current portfolio is responsible for planning, economic development and civic space planning and renewal across the Yarra Ranges.

Carl Cowie	–	Council Nominated Director – Appointed 25/03/2020
Qualifications	–	MBA, BA(Hons) Business Studies
Experience	–	Over 30 years of business experience in the private and public sectors, currently the CEO of Nillumbik Shire Council. Carl has held roles finance, general management and operation as well as several General Manager and CEO positions.
Special Responsibilities	–	Governance & Finance Sub Committee

Leigh Harry	–	Director – Appointed 11/01/2017
Qualifications	–	Bachelor of Commerce
Experience	–	Chief Executive at both Tourism Victoria and Melbourne Convention and Exhibition Centre over last 25 years. Multiple leadership roles of organizations and associations in the tourism and events areas at State, National and International levels. Project Director experience in developing event projects in the tourism and events industries.
Special Responsibilities	–	Chair Marketing Sub Committee, Chair Governance & Finance Sub Committee, Tourism Crisis Response and Recovery Sub Committee, Strategic Plan & DMP Sub Committee

Information on Directors continued

DIRECTORS REPORT

Information on Directors continued

Michael Hands	–	Skills Based Director – Appointed 13/10/2020
Qualifications	–	BA Economics & Politics, G.Dip. Urban Policy & Planning
Experience	–	Michael has many years' experience in the events and tourism industry, in both private and public sectors. Currently running an events and marketing business, Michael has previously built and sold a large events business as well as working as the Strategic Manager of the Victorian Major Company. He has also held a number of board roles including the Melbourne Food and Wine Festival, AFI Awards and others.
Special Responsibilities	–	Chair Marketing Sub Committee

Kristina Burke	–	Skills Based Director – Appointed 13/10/2020
Qualifications	–	Masters of Tourism, Dip Management
Experience	–	Experienced professional in public affairs, policy development and stakeholder engagement specialising in the visitor economy. She has been responsible for preparing submissions to major state and federal government budgets and reviews, and parliamentary inquiries. Wide range of stakeholder experience across Victoria covering important policy issues such as the dredging of Port Phillip Bay, the regulation of short-stay accommodation, licensed tour operator reforms, local government reforms, infrastructure funding, online ticketing fraud and skilled migration.
Special Responsibilities	–	Strategic Plan & DMP Sub Committee

Peter Abbott	–	Skills Based Director – Appointed 20/10/2021
Qualifications	–	Bachelor of Business G. Dip Tourism Management
Experience	–	CEO at Puffing Billy Railway and extensive experience in tourism/events management at both commercial and Not for Profit organisations. Previously on regional tourism boards and also regional tourism manager South Australia Limestone Coast.

Information on Directors continued

DIRECTORS REPORT

Information on Directors continued

Chanmali Tregambe	–	Director - Appointed 21/10/2020
Qualifications	–	BA Arts, Politics, Criminology, G.Dip Criminology, G.Dip Industrial Relations & Human Resources
Experience	–	Communications and government relations specialist with more than 25 years' experience working as a consultant and running her own consultancy. She has provided strategic advice on issues, media and crisis management in local government, tourism, energy, transport and environment and managed the secretariat for Regional Cities Victoria, comprising the Mayors and CEO's of the ten largest rural councils in Victoria. Her family developed and operates a popular boutique winery, cellar door and café in the Yarra Valley - Nillumbik Estate. She is also the current Vice-President and Secretary of Nillumbik Tourism & Business.
Special Responsibilities	–	Chair Partner and Visitor Servicing Sub Committee
Helene Campbell	–	Director - Appointed 20/04/2021
Qualifications	–	Advanced Certificate in Business Administration & Marketing and an Advanced Diploma in Jewellery & Object Design
Experience	–	Prior to retraining and becoming a business owner in the Dandenong Ranges, Helene was primarily working in the private sector for companies. Since becoming a Gold & Silversmith and opening Tall Trees Studio in Olinda in 2018, she has become her own marketing team reaching out to other local businesses, professional groups, as is required in small business. President of Dandenong Ranges Tourism.
Special Responsibilities	–	Partner and Visitor Servicing Sub Committee
Sam Maddock	–	Director – Appointed 20/10/2022
Qualifications	–	B Commerce, D Dip Education, Cert IV Outdoor Recreation
Experience	–	Experienced educator in outdoor educational programs. With business roles across the outdoor recreation industry. Co-founder and owner of several outdoor adventure tour companies that operate in Warburton and overseas in Dili, Timor Leste. Committee member of Warburton Valley CEDA.
Special Responsibilities	–	Governance and Finance Sub Committee
Daniel Tokar	–	Director – Appointed 20/10/2022
Qualifications	–	WSET Level Two, Cert III Hospitality & Commercial Cookery
Experience	–	General Manager of Tokar Estate, with experience across all aspects of running a winery and restaurant including wine sales, restaurant operations, marketing, events and kitchen. President Yarra Valley Smaller Wineries.

Special Responsibilities	–	Partner and Visitor Servicing Sub Committee

Information on Directors continued

DIRECTORS REPORT

Information on Directors continued

Martin Cheney	–	Director – Appointed 17/10/2018, Resigned 21/10/2020
Experience	–	The Yarra Valley Regional Food Group Inc Industry Partner representative, experienced small business owner, manager and marketer. Skills in agricultural manufacturing, research, retail, and industry development. Local stakeholder management and liaison.
Special Responsibilities	–	Marketing Sub Committee
Kathleen Toal	–	Alternate Director – Appointed 21/10/2020
Special Responsibilities	–	Alternate representative for Nillumbik Tourism & Business Inc
Kine Haughland	–	Alternate Director – Appointed 22/02/2021
Special Responsibilities	–	Alternate representative for Dandenong Ranges Tourism Inc
Christine Birch	–	Alternate Director – Appointed 21/10/2021
Special Responsibilities	–	Alternate representative for Warburton Valley CEDA Inc
Angela Bush	–	Alternate Director – Appointed 21/10/2021
Special Responsibilities	–	Alternate representative for Yarra Valley Smaller Wineries Inc
Frances Caltieri	–	Alternate Director – Appointed 21/10/2021
Special Responsibilities	–	Alternate representative for Yarra Valley Regional Food Group Inc
Cleo Silva	–	Director – Appointed 17/10/2019, resigned 10/8/2021
Qualifications	–	ITIL V3 Foundation (IT Service Management), ISO/IEC 20000 Certification, Cert 3 Information Technology
Experience	–	The Warburton Valley CEDA Inc. Industry Partner representative, experienced small business owner within the region and involvement in the local business community. Her experience also includes over 20 years in the IT sector working in private industry and government.
Special Responsibilities	–	Partner & Visitor Servicing Sub Committee Meeting
Peta Godenzi	–	Alternate Director – Appointed 17/10/2018, resigned 10/8/2021
Special Responsibilities	–	Alternate representative for Nillumbik Tourism and Business

Information on Directors continued

DIRECTORS REPORT

Information on Directors continued

Nicole Esdaile	–	Director – Appointed 20/02/2019, resigned 20/10/2021
Qualifications	–	Graduate Australian Institute of Company Directors
	–	Bach. Applied Science (Wine Science)
	–	Bach. Pharmacy
Experience	–	Over 20 years experience in wine making and hospitality management of wine businesses. Including wine industry consultancy business offering winemaking, viticulture and wine business advice. Yarra Valley Wine Growers Association Inc Industry Partner representative.

Tim Shand	–	Alternate Director – Appointed 17/10/2020
Special Responsibilities	–	Alternate representative for Yarra Valley Wine Growers Association Inc.

Glenda Noffke	–	Director - Appointed 25/03/2020, resigned 20/10/2021
Experience	–	Industry Partner Director representative for Tourism Network Yarra Valley, with a career in the Army, upon retiring from the Defence Force her small business experience has included running a sheep property, newsagency and motels. She has owned and run the Healesville Motor Inn, since 2017. Glenda is passionate about the Yarra Valley and embraces its beautiful surrounds and what it has to offer, and shares this with her Motels visitors and guests.
Special Responsibilities	–	Partner and Visitor Servicing Sub Committee

Andrew Blout-Greene	–	Alternate Director – Appointed 17/10/2018, resigned 20/10/2021
Special Responsibilities	–	Alternate representative for Yarra Valley Regional Tourism Association Inc.

Information on Directors continued

DIRECTORS REPORT

Information on Directors continued

Meetings of Directors

During the financial year, 8 meetings of Directors were held. Attendances by each Director were as follows:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
James Robinson	8	8
Kath McClusky	8	6
Carl Cowie	8	7
Leigh Harry	8	8
Michael Hands	8	8
Kristina Burke	8	7
Peter Abbott	6	6
Chanmali Tregambe	8	7
Helene Campbell	8	7
Sam Maddock	5	4
Daniel Tokar	5	5
Martin Cheney	5	4
Kathleen Toal	0	0
Kine Haughland	0	0
Christine Birch	0	0
Angela Bush	0	0
Cleo Silva	0	0
Peta Godenzi	0	0
Nicole Esdaile	3	3
Tim Shand	0	0
Glenda Noffke	4	4
Andrew Blout-Greene	0	0

Events Subsequent to the End of the Reporting Period
Except as disclosed in the Note 12 to the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

In response to the Pandemic, a significant number of additional State Government Grants have been awarded to the Company to support the recovery of the tourism industry, these are captured in the $610,845 held in Income in Advance under Liabilities on the Balance Sheet as at 30 June 2022. Including:

Grant	Purpose	Amount Held in Advance
Industry Strengthening	Support the upskilling of tourism operators and staff to meet the modern-day challenges of the visitor economy. In addition to Supporting the Storm recovery of the Dandenong Ranges.	$227,930
Workforce Development Planning	A research project to understand the workforce issues and opportunities of the region. Project to be contracted as part of Destination Management Plan	$60,000
Destination Management Plan & Local Area Plans	A detailed business plan to build, enhance and manage the visitor economy the region	$95,500
RTB Strengthening	Funding to support RTB operations and sustainability post the Pandemic (not marketing)	$50,000
Tourism Enterprise Scholarship Program	Pilot program to coordinate a training, mentoring and workplace program for young people 15-25	$74,039
Light Up – Nature into Art	Preparation of a business case to establish two night time attractions at Maroondah Dam and along the Ridgewalk	$20,000
Yarra Ranges Council Tourism Events	Sponsorship support for new and existing events in the LGA part of the region	$71,823

DIRECTORS REPORT

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $20 each towards meeting any outstanding obligations of the entity. At 30 June 2022, the total amount that members of the company are liable to contribute if the company is wound up is $340.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 15 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director:

Leigh Harry – Independent Chair

Dated this 19th day of October 2022

ABN: 90 457 154 126

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CHIRNSIDE PARK VIC 3116

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF YARRA RANGES TOURISM LTD

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Yarra Ranges Tourism Ltd. As the audit partner for the audit of the financial report of Yarra Ranges Tourism Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

i. the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

The Field Group - Audit

The Field Group – Audit
Chirnside Park
27 October 2022

Gavin Fraser
Partner

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022	2021
		$	$
Revenue	2	1,181,434	1,051,054
Other income	2	20,000	198,648
Employee benefits expense	3	(519,636)	(454,875)
Depreciation and amortisation expense	3	(119,398)	(112,629)
Bad and doubtful debts expense	3	1,238	1,373
Rental expense	3	(22,791)	(18,466)
Staff training and development expenses		(5,382)	(6.567)
Audit, legal and consultancy expense		(4,500)	(14,752)
Project contractors		(209,105)	(43,529)
Other expenses	3	(520,149)	(482,424)
Current year (loss)/profit before income tax		(198,289)	117,833
Income tax expense	1(j)		
Net current year (loss)/profit		(198,289)	117,833
Net current year (loss)/profit attributable to owners of the entity		(198,289)	117,833
Other comprehensive income	1(j)		
Total comprehensive (loss)/income for the year		(198,289)	117,833
Total comprehensive (loss)/income attributable to members		(198,289)	117,833

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022	2021
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	810,657	693,033
Trade and other receivables	5	303,282	12,467
Other assets	6	18,705	13,585
TOTAL CURRENT ASSETS		1,132,644	719,085
NON-CURRENT ASSETS			
Property, plant and equipment	7	42,009	149,303
TOTAL NON-CURRENT ASSETS		42,009	149,303
TOTAL ASSETS		1,174,653	868,388
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	698,984	184,142
Employee Provisions	9	79,760	90,048
TOTAL CURRENT LIABILITIES		778,744	274,190
NON-CURRENT LIABILITIES			
Lease liabilities			
Provisions			
TOTAL NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		778,745	274,190
NET ASSETS		395,909	594,198
EQUITY			
Retained surplus		395,909	594,198
TOTAL EQUITY		395,909	594,198

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Retained Surplus	Revaluation Surplus	Financial Assets Reserve	Total
	$	$	$	$
Balance at 1 July 2020	476,366			476,366
Comprehensive income				
Surplus for the year attributable to owners of the entity	117,833			117,833
Other comprehensive income for the year				
Total comprehensive income attributable to owners of the entity for the year	117,833			117,833
Balance at 30 June 2021	594,199			594,199
Balance at 1 July 2021				
Cumulative adjustment upon adoption of new accounting standards – AASB 16 and AASB 1058				
Comprehensive income	594,199			594,199
Loss for the year attributable to owners of the entity	(198,289)			(198,289)
Other comprehensive income for the year				
Total comprehensive income for the year	(198,289)			(198,289)
Transactions with owners, in their capacity as owners, and other transfers				
Transfer on sale of asset				
Total transactions with owners and other transfers	(198,289)			(198,289)
Balance at 30 June 2022	395,910			395,910

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022	2021
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt of grants		800,422	873,672
Other receipts		445,935	400,846
Payments to suppliers and employees		(1,115,691)	(1,105,965)
Interest received		272	1,274
Net cash (used in) or generated from operating activities		130,938	169,827
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(13,314)	(23,662)
Net cash used in investing activities		(13,314)	(23,662)
Net (decrease) / increase in cash held		117,624	146,165
Cash and cash equivalents at beginning of financial year		693,033	546,868
Cash and cash equivalents at end of financial year	4	810,657	693,033

The accompanying notes form part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Yarra Ranges Tourism Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards.*

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the 19th of October 2022 by the directors of the company.

Accounting Policies

a. **Revenue**

Revenue recognition

Contributed Assets

The entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138.)

On initial recognition of an asset, the Entity recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Entity recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Operating Grants, Donations and Bequests

When the entity received operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Entity:

– identifies each performance obligation relating to the grant;
– recognises a contract liability for its obligations under the agreement; and
– recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

– recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9. AASB 16, AASB 116 and AASB 138);
– recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
– recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Grant

When the Entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under the terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

Dividend Income

The Entity recognises dividends in profit or loss only when the Entity's right to receive payment of the dividend is established.

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

b. **Inventories**

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

c. **Property, Plant and Equipment**

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

Freehold property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets, including buildings and plant and equipment but excluding freehold land, is depreciated on a straight-line basis 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 depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	5 - 33%
Plant and equipment	5 – 50%

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

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 in which they arise. Gains are not classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

d. **Leases**

The Entity as lessee22

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

The Entity as lessor

The Entity leases some rooms in their building to external parties.

Upon entering into each contract as a lessor, the Entity assesses if the lease is a finance or operating lease

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Entity 's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Entity uses the relative stand-alone price to allocate the consideration under the contract to the lease and non-lease components.

e. **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified as “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the entity made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the entity's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the entity elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

The entity recognised a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity used the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the entity measured any change in its lifetime expected credit loss as the difference between the asset’s gross carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- a lender has granted to the borrower a concession, due to the borrower’s financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In order to make such a determination that the financial asset has low credit risk, the entity applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit and loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

f. **Impairment of Assets**

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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

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

g. **Employee Benefits**

Short-term employee benefits

Provision is made for the entity'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, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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

Other long-term employee benefits

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The entity 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 entity'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 market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. 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 benefits expense.

The entity's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity 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

Defined contribution superannuation benefits

All employees of the entity receive defined contribution superannuation entitlements, for which the entity pays the fixed superannuation guarantee contribution (currently 10% (increasing to 10.5% for 22/23) 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 entity'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 entity's statement of financial position.

h. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

i. **Trade and Other Debtors**

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold. 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.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

j. **Goods and Services Tax (GST)**

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

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

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

k. **Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

l. **Intangible Assets**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Software

Software is initially recognised at cost. Where software is acquired at no cost, or for a nominal cost, the cost is its fair value as at the date of acquisition. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

m. **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.

n. **Comparative Figures**

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

o. **Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements 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 entity.

Key estimates

(i) *Useful lives of property, plant and equipment*

As described in Note 1(c), the Entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

(i) *Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(ii) *Lease term and Option to Extend under AASB 16*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

(iii) *Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal internal policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

p. **Economic Dependence**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Yarra Ranges Tourism Ltd is dependent on Visit Victoria (VV) (as a representative of the state government's funding) and the Yarra Ranges Council (YRC) for the majority of its revenue used to operate the business, with smaller amounts from Nillumbik Shire Council and Manningham City Council. At the date of this report, it is noted that the organisations state government's funding will transition to the Department of Jobs Precincts and Regions, and future funding may by directed by the 's Visitor Economy Recovery and Reform Plan that may vary this support or structure of the Board in the future.

q. **Fair Value of Assets and Liabilities**

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

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

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

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

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

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

r. **New and Amended Accounting Standards Adopted by the Entity**

Initial adoption of AASB 2020-04 *COVID-19 – Related Rent Concessions*

AASB 2020-4 *Amendments to Australian Accounting Standards – Covid-19- Related Rent Concessions* amends AASB 16 by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

Initial adoption of AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3 *Business Combinations*, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

The standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

NOTE 2: REVENUE AND OTHER INCOME

	2022	2021
	$	$
Revenue		
Revenue from (non-reciprocal) government grants and other grants:		
– state/federal government grants	260,000	310,000
– shire/council grants	540,422	563,672
– one off grants	180,030	-
	980,452	873,672
Other revenue:		
– advertising sales	3,027	(1,918)
– industry contributions	178,690	108,119
– booking system commission	-	-
– other revenue	18,993	69,907
– interest received on financial assets not at fair value through profit or loss	272	1,274
	200,982	177,382
Total revenue	1,181,434	1,051,054
Other income		
– Covid-19 Grants	20,000	198,648
Total other income	20,000	198,648
Total revenue and other income	1,201,434	1,249,702

NOTE 3: SURPLUS FOR THE YEAR

		2022	2021
		$	**$**
a.	**Expenses**		
	Employee benefits expense		
	– marketing and administration	472,816	417,121
	– contributions to defined contribution superannuation funds	46,820	37,754
	Total employee benefits expense:	519,636	454,875
	Depreciation and amortisation:		
	– land and buildings	–	–
	– plant and equipment	119,398	112,629
	Total depreciation and amortisation	119,398	112,629
	Bad and doubtful debts:		
	– trade and other receivables	(1,238)	(1,373)
	Rental Expense		
	– Rent and Outgoings	22,791	18,466
	Other Expenses		
	– digital infrastructure	66,929	59,466
	– domestic marketing expense	280,970	168,954
	– international marketing	4,940	12,215
	– One off Grants	27,453	–
	– product development	18,500	19,500
	– service excellence	29,980	12,482
	– other expenses	91,377	209,807
	Total Other Expenses	520,149	482,424
b.	**Significant Revenue and Expenses**		
	Net gain/(loss) on disposal of non-current assets	–	–
	Proceeds on disposal	–	–
	Disposals at cost	–	–
	Write-back of accumulated depreciation	–	–
	Net loss on disposals as at 30 June	–	–

NOTE 4: CASH AND CASH EQUIVALENTS

	2022	2021
	$	$
CURRENT		
Cash at bank	810,657	693,033
	810,657	693,033

NOTE 5: TRADE AND OTHER RECEIVABLES

	Note	2022	2021
		$	$
CURRENT			
Trade receivables		306,007	9,868
Provision for impairment	5a	(3,005)	(4,243)
		303,002	5,625
Other receivables		280	6,842
Total current trade and other receivables	19	303,282	12,467

The entity's normal credit term is 14 days.

a. **Provision for Impairment of Receivables**

Movement in the provision for impairment of receivables is as follows:

	$
Provision for impairment as at 1 July 2020	22,294
– Charge for the year	(1,373)
– Written off	(16,678)
Provision for impairment as at 30 June 2021	4,243
– Charge for the year	(1,238)
– Written off	-
Provision for impairment as at 30 June 2022	3,005

NOTE 6: OTHER ASSETS

	2022	2021
	$	$
CURRENT		
Bond	1,677	1,677
Sundry Debtors	–	–
Prepayments	17,028	11,908
	18,705	13,585

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	2022	2021
	$	$
Land and Buildings		
Leasehold improvements:		
– At cost	13,800	13,800
– Less accumulated depreciation	(13,800)	(9,200)
Total leasehold improvements	-	4,600
Plant and Equipment		
Plant and equipment:		
At cost	427,215	431,007
Less accumulated depreciation	(385,206)	(286,304)
Total plant and equipment	42,009	144,703
Total property, plant and equipment	42,009	149,303

Movements in Carrying Amounts

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 and Buildings	Plant and Equipment	Total
	$	$	$
2022			
Balance at the beginning of the year	4,600	144,703	149,303
Additions at cost	-	12,104	12,104
Disposals		-	-
Depreciation expense	(4,600)	(114,798)	(119,398)
Carrying amount at the end of the year	-	42,009	42,009

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 8: TRADE AND OTHER PAYABLES

	Note	2022	2021
		$	$
CURRENT			
Trade payables		35,807	14,321
Deferred income		610,846	145,424
Other current payables		-	-
Other payables (net amount of GST payable)		52,331	24,397
	8a	698,984	184,142

a. **Financial liabilities at amortised cost classified as trade and other payables**

Trade and other payables:			
– total current		698,984	184,142
– total non-current		-	-
		698,984	184,142
Less: deferred income		-	-
Plus: other payables		(610,846)	(145,425)
Financial liabilities as trade and other payables	15	88,138	38,717

NOTE 9: PROVISIONS

	2022	2021
	$	$
CURRENT		
Provision for employee benefits: annual leave	30,489	46,571
Provision for employee benefits: long service leave	49,271	43,477
	79,760	90,048

	Employee Benefits	Total
	$	$
Analysis of total provisions		
Opening balance at 1 July 2021	90,048	90,048
Increase due to salary increases	1,632	1,631
Additional provisions raised during year	38,442	38,442
Amounts used	(50,362)	(50,362)
Balance at 30 June 2022	79,760	79,760

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

NOTE 10: CAPITAL AND LEASING COMMITMENTS

		2022	2021
		$	$
b.	**Operating Lease Commitments**		
	Non-cancellable operating leases contracted for but not recognised in the financial statements		
	Payable – minimum lease payments:		
	– not later than 12 months	–	–
	– later than 12 months but not later than five years	–	–
	– later than five years	–	–
		–	–

The property lease commitments are non-cancellable operating leases contracted but not capitalised in the financial statements with a five-year term. Increase in lease commitments are at a rate of 4% per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 11: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2022	2021
	$	$
Estimates of the potential financial effect of contingent liabilities that may become payable:	-	-
Claims:		
	-	-

NOTE 12: EVENTS AFTER THE REPORTING PERIOD

Subsequent to the outbreak of the Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of measures to curb the COVID-19 outbreak have been and continues to be implemented in Australia where the Company operates. As at the date of the financial statements, the Company is closely monitoring the development of the COVID-19 outbreak and its related impact and is unable to estimate the quantitative impacts to the Company.

NOTE 13: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the company during the year are as follows:

	2022	2021
	$	$
KMP compensation	186,441	160,296

NOTE 14: OTHER RELATED PARTY TRANSACTIONS

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

At the date of this report, the Board of Directors are not aware of any related party transactions impacting the financial period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 15: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022	2021
		$	$
Financial assets			
Cash and cash equivalents	4	810,657	693,033
Loans and receivables	5	303,282	12,467
Total financial assets		1,113,939	705,500
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	8	88,138	38,717
Total financial liabilities		88,138	38,717

NOTE 16: COMPANY DETAILS

The financial statements are for Yarra Ranges Tourism Ltd as an individual entity, incorporated and domiciled in Australia. Yarra Ranges Tourism Ltd is a company limited by guarantee

The registered office and principle place of business of the company is:

Yarra Ranges Tourism Ltd
Room 122, Building L5
Box Hill Institute Lilydale Lakeside Campus
1 Jarlo Drive
Lilydale VIC 3140

Note 17: Members' Guarantee

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $20 each towards meeting any outstanding obligations of the entity. At 30 June 2022, the number of members was 10.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Yarra Ranges Tourism Ltd, the directors of the company declare that:

1. The financial statements and notes, as attached, are in accordance with the *Corporations Act 2001* and:
   a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
   b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the consolidated group.
2. In the directors' opinion there are reasonable grounds to believe that Yarra Ranges Tourism Ltd will be able to pay its debts as and when they become due and payable.

Leigh Harry – Independent Chair

Dated this 19th day of October 2022

TheFieldGroup.Audit

ABN: 90 457 154 126

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CHIRNSIDE PARK VIC 3116

Phone 03 9727 6700
Fax 03 9727 6701

INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF YARRA RANGES TOURISM LTD

Opinion

We have audited the financial report of Yarra Ranges Tourism Ltd (the company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Yarra Ranges Regional Marketing is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company'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 – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Regulations 2001*

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 *Corporations Act 2001* 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Yarra Ranges Tourism Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibility 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 in accordance with Australian Accounting Standards — AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the preparation of the 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 related 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. We are responsible for the direction and supervision of the company audit. We remain solely responsible for our audit opinion.

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

The Field Group - Audit

The Field Group – Audit
Chirnside Park, Victoria

Gavin Fraser CA
Partner

Dated: 27/10/2022

TheFieldGroup.