



## **Regional Food Producers Innovation and Productivity Program Frequently Asked Questions (FAQs) (Updated 3 April 2009)**

### **Financial FAQ**

#### **Do I have to provide financial information? What if I don't?**

Financial information is essential for us to assess whether you are able to meet the costs of the project. Not providing financial information could result in your project not being assessed.

#### **I'm a new business with no financial history. How can I demonstrate I can fund the project?**

If you're a new business, you'll need to clearly demonstrate you have the capacity to meet project costs:

- (1) complete the financial table with as much information as you can;
- (2) complete the funding source table, telling us how you will fund project expenses; and
- (3) note in the 'Comments' field when your business was established and when it began trading.

#### **Does the table at the expression of interest stage need to be completed by a professional/qualified accountant?**

At the expression of interest stage, the financial information section does not need to be completed by a qualified accountant. If you are invited to submit an application you will need to have a financial declaration signed by a qualified accountant.

#### **I have no R&D expenditure. Is this a problem?**

No. This figure is for information purposes, so not having any such expenditure will not negatively impact the assessment of your financial position.

#### **What are intangible assets?**

Intangible assets include assets such as goodwill, trademarks, copyrights, brand names or capitalised start-up costs. These are usually listed as on the statement of financial position (balance sheet) as a separate line item 'intangible assets'

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**Do I need to provide copies of my financial statements?**

At the expression of interest stage, there is no need to provide copies of the financial statements. At the application stage you will need to provide either a hard or electronic copy of your financial statements for the past three years, as well as evidence of current year profit and loss and balance sheet figures and any forecasts.

**The financial statements for the 2008-09 financial year haven't been completed (since the year's not over). How do I complete these fields?**

For the current financial year, use year-to-date figures, which you can obtain through your business's record keeping system (MYOB, Quicken etc).

**I don't have any figures for the 2009-10 financial year. Is this a problem?**

If you don't have projections, that's fine. It's not essential to provide this information, but many applicants like the opportunity to demonstrate the impact the project will have on their business. It's more important that you provide the historical (past three years) financial information.

**I can't see the financial form in the PDF/word form – am I missing something?**

The financial form is provided in Excel format. You can access this form through the link provided in the expression of interest form or through our website [www.daff.gov.au/foodinnovation](http://www.daff.gov.au/foodinnovation).

**We're a group of businesses, how do we provide financial information?**

You'll need to demonstrate how much each business will contribute towards the project, and that each contributing entity has the capacity to meet their share of project costs. You may need to fill out a financial form for each entity.

**Will a letter from my accountant or auditor saying I have the funds for the project be sufficient?**

It's unlikely this will be sufficient. When submitting an application this can be included as additional information, but you really do need to fill out the table and provide us with some financial figures. Be aware that if you do not provide sufficient information your project may not be assessed.

**What do I write in the comments field on the forms?**

This field is provided for any additional information you feel we need to conduct an assessment. For example, you can explain any significant fluctuations in profits, or why you only have a limited financial history (being a newly trading company, for example).

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**What information do you want in the source table? Do I have to fill this table out?**

This table provides you an opportunity to demonstrate to us you have access to funds for the project. In this table, you'd indicate financial contributions from project partners or collaborators, available or approved financing or available credit (on an existing loan or available bank overdraft, for example) and any other source of funds.

**Do I have to provide evidence of what I list in the source table?**

At the expression of interest stage, no. You will need to provide evidence if you are invited to submit an application.

**Can I apply with the assumption that future member contributions or sales will cover project costs?**

Yes, but be aware that reliance on member contributions or sales may negatively impact the assessment of your ability to meet the costs of the project, as income from these sources may not be guaranteed. You can avoid this issue if you can clearly demonstrate you have guaranteed sources of income.

## **Financial FAQ – Application stage**

**Does “total all operating costs” include cost of goods sold?**

No. Cost of goods sold is listed separately on the financial spreadsheet. Total all operating expenses includes all other expenses incurred by the business (including interest and wages expense, but not including tax).

**What is included in current assets easily converted to cash?**

For our purposes, 'current assets easily converted to cash' is available cash (bank accounts, cash on hand) plus trade debtors (accounts receivable). Current assets such as inventory and prepayments are not included in this figure.

**What are current liabilities that must be paid?**

'Current liabilities that must be paid' is represented by short term payables such as trade creditors and GST or other taxation liabilities. Liabilities such as provisions are not included in this figure.

**What do you mean by 'Associated Loans'?**

Associated loans are loans between your entity and another entity directly connected. For example, if the partners in a partnership have lent the partnership funds; or if a parent company is owed money by one of its subsidiaries.

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**I have associated loans, but my accountant tells me including these on the form will negatively impact the view of my financial position. Should I include this information in the available fields?**

Yes – for our purposes, informing us the liabilities/assets of the company are loans between related entities can make your position look better.

**Does the financial declaration in the application form need to be signed by a qualified accountant?**

Yes, this declaration must be signed by a qualified accountant

**Can the accountant that signs the financial declaration be an employee of the applicant organisation?**

Yes. At this stage of the process, the accountant signing the declaration does not need to be independent of the organisation but they do need to be a qualified accountant.

**I'm a not-for-profit entity, so I don't pay tax. What do I enter in the field 'operating profit after tax'?**

Enter the same figure as you would for 'operating profit before tax'.