



Stronger Futures



2019|2020
ANNUAL REPORT

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Rural Aid is committed to supporting and empowering rural communities before, during and after natural disasters. Established in 2015, **Rural Aid** has become one of Australia's leading rural charities and is founded on the principles of compassion, hope, reverence and determination.

Rural Aid's counselling services and community programs support the creation of more sustainable and resilient rural communities as we work towards stronger futures for all Australian farmers and communities.

We also provide critical support including water, fodder (hay) and financial assistance to help farmers (primary producers) who endure natural disasters including drought, flood and fire.

As an independent, not-for-profit organisation, we rely on the generosity of our industry partners and supporters who fundraise, donate and volunteer to help farming families throughout Australia.

Our partnerships with everyday Australians help our farmers continue to provide food and fibre for all Australian families.

Our supporters make a real difference to the lives of our rural communities by providing practical, on-the-ground support through **Rural Aid**.

The impact of your **donation**



TOTAL FINANCIAL SUPPORT
\$28,573,824



\$11,000,000
SPENT DELIVERING **50,134** HAY BALES TO
FARMERS



CONTACTED
6043
FARMERS
FOR COUNSELLING
SUPPORT
AT A COST
OF ALMOST
\$600K



SUPPORTED
4640
FARMERS
WITH FINANCIAL
ASSITANCE
& BILL
PAYMENTS
VALUED AT ALMOST
\$7 MILLION



ORGANISED
2789
HOUSEHOLD
WATER
DELIVERIES TO THE VALUE OF OVER
ONE
MILLION
DOLLARS



SENT OVER
20,000
PRE-PAID
VISA
CARDS
TO FARMERS - TOTALLING OVER
\$7 MILLION



REGISTERED
FARMERS
14,451



INJECTED OVER
\$500K
INTO **FARM** &
COMMUNITY
PROJECTS, ASSISTING
25 FARMES
& **4 TOWNS**



PROVIDED OVER
\$200K
FOR **BEE** NUTRITION
& **\$160K** FINANCIAL
ASSISTANCE
FOR
BEEKEEPERS
THROUGH HIVE AID

VISION

To ensure farmers and rural communities are supported before, during and after natural disasters and, to help foster strong and sustainable rural communities.

MISSION

To provide economic and empathic assistance to rural communities impacted by natural disaster by partnering with key stakeholders to deliver meaningful outcomes.

PROMISE

We will ensure donors' money is used transparently to provide effective and timely assistance to those in most need.

VALUES

Empathetic & Compassionate

in everything we do and everyone we deal with

Transparent & Accountable

being open, honest and outcomes focused

Supported & Empowered

to achieve community and personal growth

Ambitious & Adaptable

in order to find solutions to new and diverse challenges

Commercially Responsible

to ensure the long-term future of the charity



Governance

Implement robust governance practices



Programs

Deliver two focused, scalable, cost effective programs that meet the needs of recipients through the Disaster Assistance Program and the Stronger Futures Program



People & Culture

Ensure our people have the skills and experience required to deliver the strategic priorities. Foster a culture of empowerment & accountability



Financial Resilience

Ensure the long-term financial viability of the charity through stringent management of funds, meeting immediate needs and making provisions for future events



Partnerships

Develop and maintain strong partnerships with appropriate stakeholders



Alex Hutton

Just when we thought that we had dealt with a very tough year, the challenges presented by COVID-19 have made 2020 a year unlike any other for all Australians. We can only hope that its impacts are mitigated and the threat to our health and economic prosperity begins to diminish as 2020 draws to a close. Unfortunately there is still an element of uncertainty as new waves of the pandemic continue to flare.

For rural Australia, managing the challenges posed by COVID – while significant, were compounded by the devastation of drought and the enormous property and stock losses wrought by bushfires - that for many were followed immediately by floods. Individual producers, their families and whole communities are still managing the impacts of these combined catastrophes which have been of such a scale that the recovery will take years.

One constant throughout this year of challenges has been the support provided by Rural Aid – be it fodder, drinking water, financial assistance or a conversation with a member of the Rural Aid counselling team.

In dollar terms, the assistance provided to people and communities to June 30, 2020 represents more than \$28.5 million – made possible through the incredible generosity of Australians as individual donors and businesses big and small. It is impossible, however, to put a dollar value on the impact of this care and support. The countless letters of thanks and acknowledgments received from farmers and their families reflects how deeply they have been touched by the care shown to them by their fellow Australians.

This year, we gave Australia the opportunity to reciprocate and write thank-you notes to our farmers thanking them for the work they do every day to keep us fed and watered. The response was remarkable with more than 10,000 digital and hard copy notes of thanks sent to farmers acknowledging their hard work.

It is an honour to once again present the Rural Aid Annual Report for the year ending June 30, 2020. This past 12 months has seen Rural Aid grow to be one of Australia's largest charities with a focus on rural and regional Australia in terms of farmer registrations, donations, delivery of aid and the launch of initiatives to meet the ongoing needs and long-term sustainability of our farmers and their communities.

To ensure Rural Aid kept pace with the growth in calls for support, levels of donation and the geographic spread of program delivery, a skills based group of Directors were appointed to ensure that the Rural Aid board was able to provide strong and effective governance as the organisation evolved.

These Directors were appointed with expertise in areas of strategy development and execution, finance, remuneration, performance, compliance, risk, agricultural business, and more. Robust governance practices have been developed and implemented, and Rural Aid has developed a strategic plan. This plan includes Rural Aid's five strategic priorities – governance, programs, our people, financial resilience and partnerships. In June 2020, two additional directors were appointed, both with extensive background in the rural agribusiness sector, adding further expertise to the Board.

The strategic plan provides a framework that Rural Aid can continue to build upon to ensure the charity continuously evolves and adapts to meet the needs of rural communities and be a sustainable service in the rural sector. Working committees have been established by the Board to assess, report and make changes – when necessary. Each board member's committee memberships listed at the bottom of the biographies.

It is appropriate in this report to acknowledge and thank our co-founders Charles and Tracy Alder. Charles stepped down from the role of CEO in September 2019 and after assisting with the transition of their roles earlier in 2020, Charles and Tracy made the decision to depart Rural Aid in May to pursue other opportunities.

My thanks are also extended to Sarah Hunter, who served as interim CEO until John Warlters was appointed the charity's new CEO on February 26, 2020. John is a trusted and respected agribusiness leader, well-known through his previous role as Australian Community Media's Head of Agriculture. John brings to Rural Aid key strengths of being a proven business manager and someone with a long history of engagement with all sectors of rural

and regional Australia. His empathy with primary producers and excellent relationships with the corporate sector will ensure that Rural Aid continues to have a strong capacity to meet its objective of supporting people in need due to the impact of current and future disasters.

Our CFO, Megan Armstrong also transitioned to a full time role as the organisation continued to grow. Megan is also the Company Secretary and her commitment and energy has ensured full compliance with the organisation's statutory reporting obligations. In the past 12 months, the organisation has experienced significant change and growth which Megan has guided in collaboration with John and the Board to ensure that service delivery levels were maintained, and all governance milestones were achieved despite the disruption of staff having to work in isolation through the restrictions of the pandemic.

In closing, I would like to thank all the Rural Aid team; staff and volunteers for their incredible work and resilience throughout 2019-20. To say it has been a challenging year is an understatement and yet, the Rural Aid team did all that was asked of it and more to support our farmers, their communities and each other through these times. I'm looking forward to continuing to work with the Rural Aid team as we support rural Australia.

Alex Hutton
CHAIRMAN

John Warlters

The importance to rural and regional Australia of an organisation like Rural Aid was reinforced almost daily during what was a tumultuous 12 months for the nation's primary producers.

In Rural Aid, Australia has a charity dedicated to supporting its farmers, their families and the communities they call home – providing assistance in a myriad of ways to ensure they are supported financially, physically and mentally during the most challenging of circumstances. Those challenges were unprecedented in 2019-20 – devastating drought, followed by the worst bushfires on record, then flood and overlaying everything – COVID-19.

It was vitally important farmers and their communities had the ongoing support of an organisation such as Rural Aid just as it was their interests were championed at a state and federal level by their peak representative bodies. They could draw confidence from this foundational support to plan for and invest in a stronger future.

Twin programs

Rural Aid was well-known for the support it provided farmers through its Disaster Assistance program. In June 2020 Rural Aid launched a second program – Stronger Futures, built on support pillars of wellbeing (counselling), sustainability (farm and community renewal) and knowledge sharing, to complement its disaster program.

Together these twin programs allowed Rural Aid to help during times of crisis and to provide much needed support to grow resilience and assist with recovery as producers and communities get back on their feet. Since its launch the Stronger Futures program has seen Rural Aid:

- *Complete farm and community renewal activities at Gayndah, Monto and Alpha in Queensland as part of the Our Towns initiative - more are planned for NSW, South Australia and Victoria in 2021. These projects were delivered thanks to the energies and efforts of hundreds of volunteers who willingly donated their time and expertise to lend a helping hand. Other activities were also carried out in the previous financial year at Manildra, Lightning Ridge, Miles and Wondai pre Our Towns.*
- *Conduct 18 knowledge sharing webinars under The Community Builders banner in collaboration with B.A.N.K. of Ideas. Each of these webinars featured shared stories of rejuvenation, renewal or reinvention from towns and communities across the country; and*
- *Expand the footprint of its wellbeing team and deepen their engagement with local communities.*

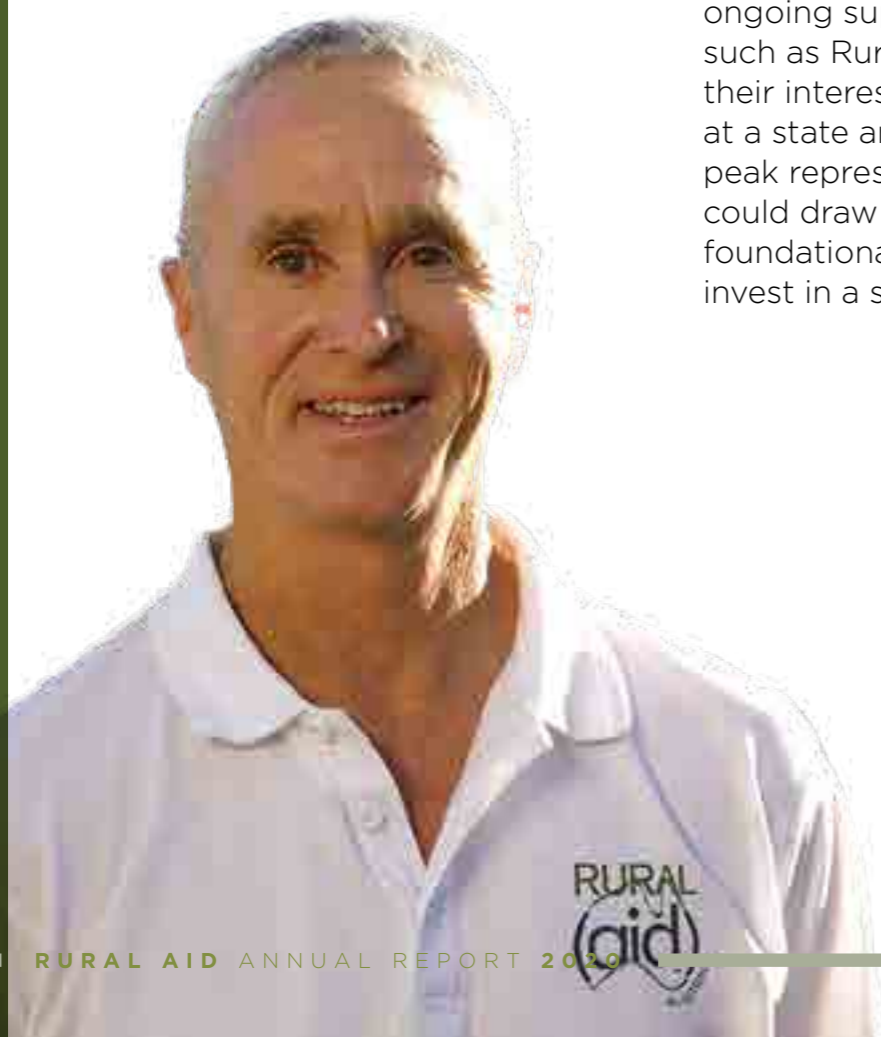
Further developing the Stronger Futures program was identified as a priority for the 2020-21 financial year and beyond.

Beacon of hope

Rural Aid is a community funded not-for-profit that provides producers with support before, during and after natural disasters and is committed to building stronger futures for these families and their communities.

During 2019-20 Rural Aid distributed more than \$28.5 million of assistance to Australian farmers and their communities, all of which was made possible thanks to the generosity of businesses - big and small, and every day Australian donors. This year would be remembered for all the wrong reasons – drought, bushfire, flood and COVID-19, the impact of each in its own right was devastating. Many farmers, however, were affected by a combination of disasters, intensifying the hardship wrought on their family and their community. The Bega Valley in Southern NSW knows this only too well, so too the Northern Tablelands at the opposite end of the state, and Queensland's Southern Downs and Granite Belt. But for all the hardship and disasters, the incredible generosity of the Australian community was a beacon of hope that shone brightly throughout the year and continued to do so. With the exception of a rebate on the cost of transporting fodder from the NSW and Queensland governments, the assistance Rural Aid provided was wholly funded by donations.

To each and every individual, family, community group and business that donated to Rural Aid, thank you for your generosity. Your trust in Rural Aid to ensure your donation made a difference was well-founded and appreciated.



Helping hand

The breadth of assistance Rural Aid provided during 2019-20 graphically demonstrated the severity and scale of the disasters that confronted rural and regional Australia.

At its worst, Eastern Australia was all but consumed by drought, including 100 percent of NSW. The Bureau of Meteorology reported the three years January 2017 to December 2019 were the driest on record for any 36 month period in the nation's history.

At the same time, other areas including eastern South Australia and large parts of Tasmania were being impacted by long term rainfall deficiencies. Rural Aid responded by delivering more than 50,000 bales of hay to farmers, millions of litres of drinking water to 2,789 households, and financial assistance including over 20,000 pre-paid Visa cards to almost 5,000 farmers. Collectively this represented more than \$28.5 million in the 12 months to June 30, 2020.

Supporting students in 112 rural and remote schools, Rural Aid distributed 1,705 musical instruments and during the COVID lockdown provided 203 laptops to schools in the Upper Hunter, NSW.

Delivering this diverse assistance was a herculean effort from so many in the Rural Aid team along with valued and trusted partners.

Mental wellbeing

Rural Aid's nationally registered counsellors and community representatives were especially active during 2019-20 supporting almost 6000 farmers. In a reflection of the unusual circumstances COVID presented, our wellbeing team connected with farmers via multiple channels.

Counselling interactions took place on-farm when possible, or by the phone, email and often via digital face-to-face technology. Farmers were able to access support in a form that best suited their situation at a time when "normal" was being redefined.

To further extend the counselling team's reach in response to COVID-19 restrictions, Rural Aid launched a monthly webinar series titled 'On the Couch'. These structured online sessions led by Rural Aid counsellors allowed participants to collectively draw strength from their peers – fellow farmers who were often experiencing the same challenges, while remaining anonymous.

The mental wellbeing of our primary producers continues to be tested like never before and is arguably the single biggest challenge confronting rural Australia. Wellbeing was at the heart of the Stronger Futures program and Rural Aid would endeavour to build a national counselling footprint in coming years.

Our People

Rural Aid was blessed with a team that believed passionately in the importance of supporting Australia's farmers and their local communities.

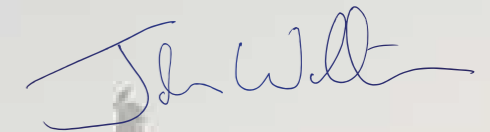
Thanks to their efforts, when COVID forced Australia into lock down Rural Aid continued to provide assistance without interruption, barring Our Towns activities. Working remotely from their kitchen table, home study or make-shift office the team rallied to ensure essentials such as fodder, drinking water, financial assistance and counselling were available regardless of the circumstances. Their determination to get the job done, and support one another in doing so, was inspiring.

The wonderful and heartfelt messages of thanks that Rural Aid received are sincerely appreciated and served to remind the team of why it does what it does.

Thank you

A simple thank you does not seem sufficient to express my deep gratitude to the donors – mums and dads, schools, sporting clubs, community groups and corporate partners, along with the volunteers, media and our team that have given so generously during the past 12 months to Rural Aid.

We look forward to your continued support during 2020-21 and beyond as Rural Aid helps build Stronger Futures for our farmers, their families and their local communities.



John Warlters
CEO



The primary functions of the Board are to govern and provide leadership to Rural Aid in accordance with its constitution, mission and strategic priorities. The CEO manages the day-to-day business of Rural Aid, under the direction of the Board. The CEO is accountable to the Board and reports to the Board at each Board meeting.

The CEO ensures the resolutions of the Board are properly and efficiently carried out and transacts all business of Rural Aid between Board meetings.

Board composition

As at 30 June 2020, Rural Aid's board included 8 independent, non-executive directors. The directors bring a diverse range of skills and experience to the organisation.



Alex Hutton | Chair

Alex is currently the Chief Executive Officer for Mackays – Australia's leading banana growers and has over 30 years' experience in senior management roles across a range of industry sectors. His leadership positions have included Chief Executive Officer for St John Ambulance (Queensland); Senior Vice President, Comvita USA; General Manager, Comvita Australia; Chief Operating Officer, The Thompson Group; General Manager, Amcor Fibre Packaging QLD/NT; and National Sales Manager and General Manager – Northern Australia, Pivot Limited. Alex has been a non-executive director of several businesses including Combined Rural Traders, Olive Products Australia and Comvita Australia. He has also served on not-for-profit boards as a director and chair. His core competencies include company set-ups in new markets, organisational restructures, brand development and marketing, strategic planning, and the development and implementation of profit improvement plans. His qualifications include a Master of Business Administration, Bachelor of Economics and a Diploma of Business Property Economics.

Committees:

Remuneration, Nomination and Performance Committee (Chair),
Finance, Investment and Audit Committee



Barrie Adams | Deputy Chair

Barrie is a former Commissioner of the Australian Securities and Investments Commission (ASIC). Previous positions include Director of Corporate Development and Operations, Office of the Commissioner for Corporate Affairs; and South Pacific Audit Manager, Shell Group of Companies. Barrie has been an active member of CPA Australia and was a Director on the Board of CPA Australia for three years. Since leaving ASIC, he has held board positions for listed and unlisted public companies, and not-for-profit organisations operating in Australia and overseas. He continues to hold current board positions. Barrie is the chairman of four compliance committees and has delivered presentations on corporate governance and ethics and risk management, directors' duties and corporate social responsibility. He was a regular presenter for CPA Australia and the Institute of Practising Accountants on these topics.

Committees:

Finance, Investment and Audit Committee (Chair)



Trent Thorne

Trent is the co-head of the McCullough Robertson Lawyers Food and Agribusiness group. He is recognised as a committed and passionate legal specialist for the agricultural sector. Trent has over 17 years' experience acting for food and agribusiness clients in a wide range of commercial matters, including complex commercial disputes, corporate & regulatory matters, negotiations, alternative dispute resolution and major pastoral property transactions. His skills in alternative dispute resolution, and as an advocate, are widely acknowledged. He has conducted international arbitrations, lengthy trials in Queensland and acted for major agribusiness entities, large property developers, multinational resource companies, major Government Owned Corporations and large corporate entities. Trent's experience also includes seeking urgent interlocutory injunctions, defending and prosecuting class actions and resolving licensing and regulatory disputes. He is a non-executive director on the board of the AAM Investment Group and his qualifications include a Bachelor of Laws (Hons) and Commerce (UQ).

Committees:

Risk Committee (Chair)



Andrew Hall

Andrew is the Executive Director and CEO at the Insurance Council of Australia. His previous roles have included Executive General Manager, Corporate Affairs for Commonwealth Bank of Australia; Director Corporate and Public Affairs, Woolworths; Federal Director, National Party of Australia; and Media Adviser to the Hon Warren Truss (former Deputy Prime Minister of Australia). Andrew's expertise has been recognised with admission to the Arthur W. Page Society and inclusion in the International Top 50 Corporate Affairs Professionals list. He has also been acknowledged as one of the Top 50 Outstanding LGBTI Leaders in Australia for his work in leadership roles, diversity and equality campaigns. Andrew has extensive experience in governance, both in the corporate and not-for-profit sectors and currently serves on the boards of The Avner Pancreatic Cancer Foundation and Equality Australia. He began his professional career as a journalist at the Grafton Daily Examiner where his passion for understanding and pursuing the needs of rural and regional Australia was ignited.

Committees:

Risk Committee,
Remuneration, Nomination and Performance Committee.



Sarah Hunter

Sarah is a business and board advisor with experience in the animal health, agriculture veterinary industries. She is Deputy Chair, Company Secretary and Chair of the Nominations Committee of Ag Institute Australia and is committed to promoting the advancement of Australian agriculture and natural resource management. Her core competencies include organisational transformation, leadership through change, commercial acumen, risk mitigation and the execution of commercial strategy. Sarah is a volunteer mentor for the Institute of Managers and Leaders Member Exchange and was a finalist in the NSW Telstra Business Women's Awards in 2016 and 2017.

Committees:

Risk Committee,
Remuneration, Nomination and Performance Committee



John Cotter AM | Retired from the Board on 31 January 2020

John is a former Chairman of the Queensland Gasfields Commission and former President of AgForce (Queensland's peak farming organisation). He has over 40 years of providing leadership and high-level negotiation skills across all levels of government, public institutions and within the private sector, facilitating equitable solutions for many diverse issues. John is a business owner and beef producer in the South Burnett Region of South East Queensland, supplying product for both export and domestic markets. He has filled numerous positions on state and national boards, advisory councils and groups, with a particular focus on economic growth and sustainability for rural and regional areas. John has been on the Board of the Queensland Fire and Rescue Authority and on the Emergency Services Ministerial Advisory Council. He has been recognised for his professional, public and community achievements with the: Member of Order of Australia AM, Diligent and Ethical Service Medal (DESM), National Medal, Centenary Medal, Telstra Advance Australia Award and the Australia Day Citizen of the Year Award.

Committees:

Risk Committee,
Remuneration, Nomination and Performance Committee



Ben Pevreall

Ben is the Regional Vice President Asia Pacific for Valmont Industries, Inc., a corporation publicly traded on the New York Stock Exchange that produces infrastructure products to support and enrich growing economies around the world. Valmont leads the world in water management for irrigation that helps agricultural producers produce more from their land. Previously, Ben was Sales and Marketing Manager AUS/NZ/PNG/Pacific Islands for Husqvarna Group. He is a sales and marketing specialist with proven results in growing a business and building structure and supporting processes. Ben is renowned as a dynamic, entrepreneurial leader with a high level of commercial acumen, technical expertise and the uncanny ability to develop successful marketing and branding strategies which consistently deliver transformational changes in business.

Committees:

Finance, Investment and Audit Committee,
Remuneration, Nomination and Performance Committee



Erica Halliday

Erica has worked in rural communities as a jillaroo, stud master, business facilitator, life coach, board member, businesswoman and most importantly (in her words) as a mother, wife, daughter and sister. As a fourth-generation cattle farmer, Erica understands the complexities and challenges of farming. After studying agricultural economics, beef production and marketing, Erica worked holistically with farm families to balance economics and finance with the land, animals and people. She has run Ben Nevis Angus in partnership with her husband since 2006 and manages genetics and marketing for the enterprise. Erica has held board positions with New England Girls School and the Australian Beef Industry Foundation. Her current appointments include Elected Director, Angus Australia and Committee Member, BREEDPLAN Advisory Committee - Meat and Livestock Australia. Erica is a sought-after guest speaker and award recipient, and organised and volunteered at the 2020 Blaze Aid Yarrowitch Fencing program.

Committees:

None during the year ending 30 June 2020



Airlie Landale

Airlie is the founder and managing director of Farm Table, a national online knowledge-sharing platform. She is highly experienced in business development, stakeholder engagement and management, technical development, event management, user experience, design and testing, agriculture research, and content development and dissemination. She holds qualifications in food and resource economics, commerce and political science. Airlie's previous roles include Business Analyst, Macquarie Bank's Paraway Pastoral Company Ltd; Drought Coordinator, Edward River Council; Researcher and Columnist, Food Tank Chicago; and Economics and Policy Senior Consultant, PricewaterhouseCoopers Melbourne. Airlie has also worked fulltime on her family's property in Holbrook, New South Wales. She was a member of the Industry Advisory Group for the Australian Government's Farm Cooperatives and Collaboration Pilot Program, and named 2016 Tomorrow Maker (AMP Foundation), 2015 RAS NSW Rural Young Achiever and 2015 Woolworths Agribusiness Scholar.

Committees:

None during the year ending 30 June 2020





John Warlters
Chief Executive Officer

John was appointed chief executive officer in February 2020 having previously led Fairfax Media's national agricultural business and being integral in the transformation and modernisation of its regional media assets in Queensland, the Northern Territory and Northern NSW.

Previously, John was the editor and then general manager of iconic agricultural masthead Queensland Country Life.

Throughout his media career John always championed the "bush" and agitated for a fair go for primary producers and their families. He has deep connections across the Australian agribusiness sector and a genuine affinity with rural and regional communities.



Megan Armstrong
Chief Financial Officer and
Company Secretary

Megan joined Rural Aid as the Company Secretary in May 2019 and as the Chief Financial Officer in July 2019, bringing over 20 years' experience in finance, accounting, governance and business transformation. She is a Chartered Accountant with post-graduate qualifications in Corporate Governance.

Megan has previously held roles as the CFO and Company Secretary for both listed and unlisted corporations. She was also a Director at PricewaterhouseCoopers for 6 years, focused on finance and governance transformation across a range of industries.



Brian Morton
Operations Manager

Brian was appointed the Operations Manager of Rural Aid in October 2019. Coming from a previous role as Chief Operations Officer in a national agriculturally construction company, he has a robust background in operations management, strategic planning and leadership.

Brian served for 20 years in the Australian Army deploying numerous times until his discharge in 2008.

Brian sees his role as a continuation of a journey started many years ago within the defence force, now instead of deploying overseas, he supports Australians, in particular Farmers and Rural Communities.



Jaimie Robertson
Acting Fundraising, Marketing and
Communications Manager

Rural Aid is dedicated to helping farmers develop strong and sustainable communities. We invest in a range of resourcing and business initiatives to help connect communities and increase the emotional and financial resilience of primary producers.

As rural communities do their best to adapt to unpredictable natural events and the world around us has dramatically changed in ways we could never have predicted, we have realised that farmers and the communities they support not only need our help in times of crisis, they also need our assistance to build the resilience and capability to maintain healthy and sustainable lives through all times.

This is vitally important not only for the rural communities themselves but for all Australians, because it's Aussie farmers who put the food on our table and the shirts on our back.

Rural Aid's Stronger Futures program strives to build the resilience and sustainability of farmers and rural communities to ensure their long-term health to support the health of our nation.

Rural Aid's Disaster Assistance Program continues to provide practical and essential services for farmers before, during and following disaster events.

We deliver through collaboration, partnerships, connection and leadership.



STRONGER FUTURES • STRONGER FUTURES • STRONGER FUTURES • STRONGER FUTURES • STRONGER FUTURES
WELLBEING: Ensure disaster affected primary producers and regional communities have ready access to resilience building mental wellbeing support
 STRONGER FUTURES • STRONGER FUTURES • STRONGER FUTURES • STRONGER FUTURES • STRONGER FUTURES
SUSTAINABILITY: Provide the capacity building scaffolding that enables individuals to become better leaders and communities to grow stronger.
 STRONGER FUTURES • STRONGER FUTURES • STRONGER FUTURES • STRONGER FUTURES • STRONGER FUTURES
KNOWLEDGE: Be the connector that puts farmers on the cutting edge of innovative management practices.
 STRONGER FUTURES • STRONGER FUTURES • STRONGER FUTURES • STRONGER FUTURES • STRONGER FUTURES

DISASTER ASSISTANCE • DISASTER ASSISTANCE • DISASTER ASSISTANCE • DISASTER ASSISTANCE • DISASTER ASSISTANCE
Management plan for disasters
 DISASTER ASSISTANCE • DISASTER ASSISTANCE • DISASTER ASSISTANCE • DISASTER ASSISTANCE • DISASTER ASSISTANCE
Monitor disaster and recovery situation and adjust associated assistance as required
 DISASTER ASSISTANCE • DISASTER ASSISTANCE • DISASTER ASSISTANCE • DISASTER ASSISTANCE • DISASTER ASSISTANCE
Continue current disaster & recovery assistance
 DISASTER ASSISTANCE • DISASTER ASSISTANCE • DISASTER ASSISTANCE • DISASTER ASSISTANCE • DISASTER ASSISTANCE

Stronger Futures Program

The Stronger Futures program was founded on three pillars – wellbeing, sustainability and knowledge:

1. *Rural Aid: Wellbeing based on an initial consolidation followed by an expansion of our counselling service*
2. *Rural Aid: Sustainability incorporating a re-branded 10 Towns which became Our Towns and additional programs to build leadership capacity in regional communities and agricultural sustainability, and*
3. *Rural Aid: Knowledge will be the connector that puts primary producers on the cutting edge of innovative management practices and helps us bridge the gap between city and country.*

Going forward, Stronger Futures- particularly counselling, will be to Rural Aid what Buy a Bale and fodder were previously.

Programs offered to support communities under Stronger Futures will evolve and will be adapted to meet changing community needs. Understanding and monitoring these needs is vital and Rural Aid will continue to maintain a connection and a presence in rural communities to meet community need.

Current Stronger Futures programs created to support communities include:

Our Towns community renewal program
Through its Our Towns initiative Rural Aid is providing communities with the tools to strategically plan for and deliver on the vibrant and sustainable future they envisioned for their towns.

Rural Aid in collaboration with B.A.N.K. of Ideas director Peter Kenyon, is helping towns unlock their full potential. Peter brings local stakeholders together to develop their town's strategic plan. Using the knowledge and expertise of the community members, they work together to build their community from the inside out. For the renewal to be successfully achieved, community members are required to invest themselves, ideas, assets and resources in the process. Over five years Rural Aid provides the capital and manpower via a dedicated group of volunteers to see the vision realised.

During the previous financial year, Rural Aid helped support rural communities including Manildra, Lightning Ridge, Miles and Wondai. In 2020 this support was further developed with the implementation of the Our Towns initiative, in Gayndah, Monto and Cunnamulla.

Rural Aid's ambitions for the year were impacted by COVID-19 imposed border restrictions, but regardless it was an impactful 12 months. Rural Aid's on-the-ground presence in towns was supported by its popular the Community Builders webinar series launched in March. These engaging online conversations featured the irreplaceable Peter Kenyon and the local identities behind regional renewal success stories from across the country.

Rural Aid looks forward to continuing to develop the Our Towns initiative along

with the Community Builders webinar series into 2020-2021 and beyond.

Counselling

Rural Aid is committed to supporting our farmers during tough times. Our tailored counselling program helps build emotional resilience and aims to reduce stress, depression and suicide in rural areas. We employ qualified, Australian Counselling Association nationally-registered counsellors to provide mental wellbeing support services for farmers and their families.

“One conversation at the right time, with the right person, can change everything.”

Our counsellors live within their communities and foster long-term relationships with farmers, farming families, community groups and other non-government organisations.

Farm Army job matching service

Thousands of Farm Army volunteers give their time each year to help support our farmers before, during and after natural disasters.

An online job platform is used to match people directly with farmers who require assistance. New jobs are listed each week and volunteers range from everyday people who want to donate their time, through to qualified tradespeople and farm sitters. Skilled tradespeople are often not readily available in rural communities so, these volunteers are often in high demand.

Members of the Farm Army often also participate in the Our Towns Initiative.

Disaster Assistance Program

Rural Aid has provided practical and essential services for farmers before, during and following disaster events since 2015. Our extensive network across rural communities enables our charity to deliver vital on-the-ground support when it is needed most.

Hay/Fodder (Buy a Bale)

We understand the needs of our primary producers and aim to lend a helping hand when times are tough. When crops are destroyed and fodder supplies are lost or depleted due to fire, flood and drought, Rural Aid distributes vital assistance to help farmers and their livestock survive. Our hay deliveries are guided by the needs of the farmer in each community.

Financial Assistance (cash and pre-paid Visa cards)

During times of financial hardship, Rural Aid provides farmers and their families with financial assistance via direct deposit (to pay bills) and prepaid Visa cards (to spend in their local community). This financial assistance empowers farmers and their families and provides them the ability to purchase within their local towns, supporting the local business and economy.

Domestic Water Supply

Access to clean drinking water is something most take for granted. During times of drought and other natural disasters, farmers may need to buy in domestic water to replenish their tanks. Rural Aid engages local water carters to deliver domestic water to disaster affected or drought impacted farmers so they can access this fundamental resource.

Other Support as needed

By participating and engaging in community meetings, Rural Aid will facilitate other support that has been identified as being required by the community.

Examples of this for 2019-20 include

- *the provision of a desalination plant for use in two drought affected towns in NSW*
- *providing financial support to bushfire affected beekeepers*
- *delivering technology into rural schools to assist with COVID restrictions; and*
- *provision of water tanks post bushfires.*

A Counsellor's journey...

Rural Aid's Hunter Valley based counsellor, Gary Bentley, witnesses first hand the physical and mental challenges faced by farming families and rural communities.

From Gary's perspective, while fire, flood and famine form part of the tale, the real rural stories are the people stories.

The following accounts from Gary touch on a couple of individual situations that could just as easily be a matrix for the everyday lives of people on the land ...



“

There is a lot of love in the air for Rural Aid. I've lost count of the number of farmers who took the time to stop and express their gratitude for the assistance they had been given.

The main message was that whether it was hay, water, financial support or counselling, the help provided rekindled and bolstered the spirit to battle through. I had farmers tell me that, once they are able, they will be supporting Rural Aid so we can continue to do what we do. You can't ask for more than that!

An interesting couple I met were neighbouring farmer's wives... one in her 60's, the other in her 30's.

Given what the statistics tell us, the younger woman is a bit of a rarity. She has two young children and her husband is a generational farmer who has an off-farm income to keep things going.

While she and her family love the farming life, they're in the process of selling their existing farm, but have every intention of buying another property.

The older woman is a typical farmer's wife. While her husband also works away generating the necessary income to keep the farm functioning, she is responsible for the day-to-day property work.

Typically, there is no succession plan for the farm. Bluntly, the kids are not interested. They have seen the hard work Mum and Dad have done all their lives and they have taken every effort to distance themselves from it.

This is very much the story in the Hunter Valley and other parts of the country where mining offers secure, well paid employment opportunities.

I witnessed a young mum keen to believe that her kids will be committed to the farm in the years ahead and an older mum dealing with the reality of the change in the order of the rural world.

Both families are battlers and because they have off-farm incomes - without which they could not survive - there is government assistance they are unable to access.

The heartbreaking mental strain that rural life places on all those who chose the lifestyle is ever present and effects entire families. Some time back I was contacted by a farmer's wife who was concerned about the mental state of her son. He'd been to rural college and was keen to be a farmer... so keen, that in his late teens, early 20's, he was running a farm fairly much independently.

But the drought and other doubts were dragging him down. He welcomed a face-to-face counselling session, but after not hearing anything for several weeks following that, I contacted his mother who said *"I don't know what you said to him but he's a different person."*

I tend to take such comments with a grain of salt, as those struggling often try to keep the pain from their loved ones. However, the young man's mum approached me at an event and again thanked me for the change in her son. He's now more determined and focused than ever and happier than he's been for some time. She mentioned something he had carried with him from our counselling session ... a favourite method I share to help people handle the accumulation of their problems. I ask them *"How do you eat an elephant?"* The answer is simply *"One bite at a time."*

And that's the way to find peace and resolution... one day, one step, one problem at a time. Needless to say I was chuffed that he was able to keep that thought in mind and use it to make his life better.

That's what counselling is all about... and is what Rural Aid counsellors do so well.

One last amusing but ultimately heartwarming tale... I took a donation while at an event from a FarmGate counsellor I got to know. Though he works for a NSW Government sponsored rural counselling scheme, he recognised the significant contribution Rural Aid makes in the lives of everyday rural Australians. That says a lot.

I am proud to work for a charity who recognises the bigger picture when supporting Australian's rural communities.

”

Gary Bentley
RURAL AID COUNSELLOR

Notes of thanks
from farmers &
rural families

Eight years of drought...

“
I wanted to take the time to write to sincerely thank you for your drought assistance. The gift cards that you sent were very much appreciated. As we are about to go into 8 years of drought with minimal to no useful rain in the past 2 years, things have been extremely difficult and it is also difficult to express how much the assistance / support is appreciated. Please pass on my sincere thank you to the citizens and businesses that have contributed to Rural Aid.

”

Down to the last drop of water ...

“
I'd just like to thank, from the deepest depths of my heart, all who donated to Rural Aid. Last year, my 5000 litre water tank was on its last rung and my 22,500 litre tank was bone dry. I humbly asked Rural Aid if they could possibly fill the smaller tank...not only did they fill that but the larger one too!! This is our fourth year of drought but the support we've received from our fellow Aussies has been wonderful and uplifting and I'm so deeply appreciative.

”

Marriage and a new baby ...

“
We write to express our sincere thanks for the assistance offered from Rural Aid. An exhaustive 2019 saw the drought climax with the worst bushfires we've seen on our property. In November, we were forced to evacuate our property due to immediate bushfire threat. When we returned home, we were lucky, we had a home but still spent the following days fighting fires. This firefighting exhausted our water supply, with local emergency services using our last stock watering hole to save our local community.

Despite the effect of drought and fire we remained resilient, we even got married on the weekend after the fires hit. The Rural Aid Christmas parcel and financial bill relief meant so much to us. With our livestock suffering depression with no feed and little water, this token reminded us we weren't alone.

With 2020 bringing a change we were excited to see the rain begin. This too brought challenges as the rain caused local floods and further property damage with erosion. During this time, we were isolated on the farm due to flooding. This was a nervous time as we were expecting the birth of our first child anyday! In February we welcomed our daughter, Ember on the day the creek subsided to allow us access to town. The Rural Aid visa card was another unexpected surprise that was invaluable for our young family.

With COVID outbreak our resilience was once again tested but the acts of support and kindness like that that Rural Aid provide will continue to see us succeed. So, we apologise for the delay in passing on our gratitude, as you can read, we were a little distracted!

”



Rural Aid partners with businesses throughout Australia to support farmers, their families and rural communities.

From small businesses through to international companies, our partners help to create more sustainable rural communities.

Our supporters have one thing in common - a genuine desire to make a difference and help our farmers get back on their feet.



Brand activation and alignment

Rural Aid actively seeks partnerships with socially-responsible companies who deliver products and services to Australian customers. These alliances rely on strong brand alignment between Rural Aid and companies that share our values and dedication to helping farming communities. From packaging through to brand alignment, our teamwork with new and established brands to help ensure products are an ongoing success.



Corporate donations and in-kind support

Many Rural Aid partners make direct donations for specific initiatives and general purposes. This charitable giving often includes donating funds or supplying products in response to specific community needs. Rural Aid works with our industry partners to promote corporate giving and discreetly manages private donations when requested.

Please note, partnership promotions are subject to operational requirements during times of disaster response.



Retail and point of sale (price per item)

Point of sale and fundraising collaborations with customers and suppliers can strengthen relationships for a good cause. Rural Aid works with partners on all aspects from point of sale through to supplier giving, customer retail donation and matching, co-op donations per item sold and checkout round up or donation opportunities.



Workplace giving

Workplace giving is one of the simplest ways to help your staff make a consistent difference. Automated payroll deductions enable your employees to make easy, regular donations to help our farmers. This form of giving empowers teams and provides a strong feeling of contributing to the greater good.



Employee engagement

Great change is possible when groups of people come together for a good cause. Employee-driven fundraising and volunteering will empower your staff to build stronger links with the community, create more positive team environments, deliver rare and memorable opportunities, and help to establish your company as an Employer of Choice.



#FinishWaterWaste

Finish came on board as Rural Aid's Official Water Delivery Partner in 2019, establishing the #FinishWaterWaste initiative. Australians were encouraged to turn off the tap, stop pre-rinsing their dishes and make a pledge via social media to reduce their water usage. For pledges or product purchases made during the initiative, Finish and Rural Aid delivered water to drought-affected Australians.



- Significant media coverage in national, metro and regional press.
- 6.8 million litres of water delivered to rural families in 2019.
- Finish increased its brand awareness and is seen by Australians as offering distinctive benefits.



Woolworths

Woolworths partnered with Rural Aid in 2018 and donated \$1.5 million to support our services. They called on their team and customers to make a donation to Rural Aid at their checkouts and ran fundraising events in their stores across the country. Woolworths also donated a single days profits from sales of fresh food to help us meet the needs of drought impacted Aussie farmers.



- 37,231 Tonnes of Hay distributed to 3,223 farming families.
- By donating profits from fresh food sales on a single day, Woolworths gave their customers a compelling reason to shop in their stores.
- News coverage by multiple outlets.
- Woolworths continues to donate a percentage of its bottled water sales to four charities including Rural Aid.

“Rural Aid has worked tirelessly over the past few years to help farmers impacted by the drought. Our support will allow them to focus on increasing their delivery of much needed livestock feed to farmers and other essentials as the drought continues to cause widespread impact to many communities.”

Brad Banducci
WOOLWORTHS GROUP CEO



The Good Harvest Co.

The launch of The Good Harvest Co. flour and pasta products in early 2020 provided Rinoldi with an opportunity to partner with Rural Aid. The company's pledge to donate 10 cents for each packet sold was included on all packaging and has now extended to Rinoldi's Vetta Pasta range. This brand alignment assured customers of their long-term commitment to helping our farmers and confirmed, that as a socially responsibly company they would continue to donate to rural Australia.



- Two new product ranges were successfully launched into the Australian market.



Big Dry Friday

The Big Dry Friday event in 2019 raised money for pre-paid Visa cards so farmers could have the freedom to purchase what they need and stimulate local rural economies. Morgans' held virtual fundraisers involving multiple offices, business partners and clients made donations and, some staff donated their commission while others made payroll deductions. The Morgans' Foundation also matched funds (with a set limit).



- \$1.3 million dollars raised for Australian farmers.
- Pre-paid Visa cards were sent to more than 2,000 farming families with a postcard from Morgans.
- Media coverage including Channel 9 and Queensland Country Life.

“In 2019, Morgans selected Rural Aid as our sole charity partner for the Big Dry Friday campaign due to the tremendous work they do in supporting farmers in rural communities throughout Australia. This partnership proved to be a successful one, enabling us to distribute \$1.3 million to farmers across Australia on Rural Aid's register. We were thrilled with this achievement which was made possible thanks to Rural Aid's professionalism and their ability to make a difference where it's needed most.”

Brian Sheahan
EXECUTIVE CHAIRMAN | MORGANS FINANCIAL LIMITED



Bottles for the Bush

TOMRA's reverse vending technology gives 10 cents back for each eligible can or bottle returned for recycling. The Bottles for the Bush campaign gave recyclers the opportunity to transform that 10c return into a way to help farmers in need - by choosing to donate their 10 cents to Rural Aid. Many communities were looking for ways to help the families struggling through drought and this campaign gave them an easy way to contribute.



- **\$512,258 raised for farming families. This was the equivalent of 5,122,580 donated bottles and cans.**
- **TOMRA increased brand awareness and awareness of the container recycling scheme in each state.**
- **The % of drink containers donated via TOMRA Reverse Vending Machines increased by over 300%**
- **News coverage included a televised cheque presentation during the 2019 Hay Mate concert.**



Domino's

Domino's Pizza Australia collaborated with Rural Aid in 2018 for the nationwide Doughraiser Campaign. The fundraiser involved Domino's network of more than 600 stores nationally and on 8 August between 4-9pm, 50 cents from every pizza sold was donated to Rural Aid. Domino's also made a direct contribution through Give for Good, their registered charity.



- **200,000 more pizzas were sold on the night compared to an average night of trading.**
- **Domino's team members met 53 farmers at a Rural Aid hay drop.**
- **News coverage by multiple outlets including Northern Daily Leader, The Chronicle, and the Queensland Times.**
- **Domino's partnership with Rural Aid continued in 2019 when they, along with Give for Good provided pizzas to volunteers at the Hay Mate fundraising concert.**

“ We know that without farmers, there is no pizza and we wanted to do our small bit to help the many farmers out there doing it really tough. ”

Nick Knight
Domino's CEO Australia and New Zealand



Merrylands RSL

Merrylands RSL (MRSL) joined forces with Club UMINA in 2018/19 to raise much-needed funds for the Buy-a-Bale campaign. Staff raised money for their country cousins with weekly wage deductions, silent auctions and bar donations. The MRSL Board of Directors matched these funds with a donation of their own.



- **Money raised for the Buy a Bale campaign.**
- **Staff travelled to Molong and Borenore to be part of a major hay delivery involving approximately 50 farmers.**
- **MRSL generously provided a food truck for farmers at both hay drops.**
- **Media coverage by the Central Western Daily and 2GB.**



Moving into 2020-2021

The focus of this annual report is the financial year ending 30 June 2020, during which Rural Aid distributed over \$28.5 million in assistance to farmers and rural communities.

Rural Aid will always be known for the support it provides farmers, their families and the communities they call home during times of disaster – be it drought, bushfire, flood or most recently, COVID-19.

It is in our DNA and we do it well – getting meaningful and needed assistance to where it is required and fast.

Moving into 2020-2021, we will continue to provide practical and essential services for farmers before, during and following disaster events. Our extensive network across rural communities enables our charity to deliver vital on-the-ground support when it is needed most: hay/fodder (Buy a Bale), financial assistance (cash and pre-paid Visa cards), domestic water supply and mental well-being support through our Australian Counselling Association nationally-registered counsellors.

Recovery doesn't happen overnight. Through Rural Aid's Stronger Futures program, launched in June 2020, the charity will be part of the on-farm and community recovery that is occurring right now.

The need for fodder, drinking water, country cards and financial assistance that we have traditionally provided

is diminishing with the improving season across NSW and Victoria (less so in Queensland). That's not to say assistance is not needed. It is and will be for some time to come.

Rural Aid is dedicated to helping farmers develop strong and sustainable communities. The charity invests in a range of resourcing and business initiatives to help connect communities and, increase the emotional and financial resilience of primary producers.

During the next few months and well into 2021 and beyond, mental wellbeing challenges will intensify as families manage their way back to profitability post-drought (and bushfire, flooding and COVID) or transition out of agriculture. Either way, these are monumental decisions made more challenging by economic and family pressures overlaid with isolation and remoteness.

Despite the challenge COVID-19 continues to present, the Our Towns program goes from strength to strength. There were positive impacts on so many levels at Gayndah, Monto and Cunnamulla in Queensland.

Through the webinars – The Community Builders series and the monthly On the Couch session – Rural Aid has become a trusted source of empowering knowledge and will develop this further as fresh opportunities and potential partners come to hand.

Resilience – the ability of community or society exposed to hazards to resist, absorb, adapt, transform and recover from the effects of hazard in a timely and efficient manner.

Collectively, the work that Rural Aid and our supporters do is about building resilience in individuals, families and whole communities. This is now understood at Rural Aid better than before and as a result the impacts of those efforts are more pronounced. Rural Aid is at the heart of the change that is underway but there is so much more to be done.

It is an exciting time for Rural Aid and a chance to help build a stronger future for the charity and the people Rural Aid supports.





Rural Aid Limited

ABN: 29 605 783 597

Financial Report
FOR THE YEAR ENDED: 30 JUNE 2020

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RURAL AID LTD
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DIRECTORS' REPORT

The directors present their report together with the financial report of Rural Aid Ltd for the year ended 30 June 2020 and auditor's report thereon.

Directors names

The names of the directors in office at any time during or since the end of the year are:

Charles Alder (resigned 11 July 2019)

Tracy Alder (resigned 11 July 2019)

Sandra Lynch (resigned 11 July 2019)

Zelina Turner (resigned 10 July 2019)

Mark Creswell (resigned 9 July 2019)

Alexander Hutton (appointed 11 July 2019)

Ben Pevreall (appointed 11 July 2019)

John Cotter AM (appointed 11 July 2019, resigned 31 January 2020)

Trent Thorne (appointed 11 July 2019)

Barrie Adams (appointed 11 July 2019)

Sarah Hunter (appointed 11 July 2019)

Andrew Hall (appointed 11 July 2019)

Airlie Landale (appointed 18 June 2020)

Erica Halliday (appointed 18 June 2020)

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

Results

The operating deficit of the company for the year after providing for income tax amounted to \$3,975,993 (2019: Surplus \$23,094,275).

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DIRECTORS' REPORT

Review of operations

During the year ended 30 June 2020 Rural Aid dispersed over \$28.5M in assistance to farmers and rural communities. Successful fundraising campaigns and continued support from corporate partners and individuals resulted in another successful year. Whilst revenue decreased by 48% compared to FY19, direct dispersals only decreased by 11% reflecting the continued need for Rural Aid's support in Rural Australia.

At the beginning of FY20 the rebate program from the New South Wales Rural Assistance Authority changed from the rebate being paid directly to Rural Aid as revenue, to the rebate being paid directly to the freight providers. During FY20 the freight provider invoiced Rural Aid the freight cost less the rebate, resulting in the same net result. In the financial statements this has reduced Government Subsidies revenue when compared to FY19 but has also reduced hay freight expenditure by the corresponding amount.

For FY20 the organisation made an operating deficit of \$3,975,993 (2019: Surplus \$23,094,275).

At year end \$19,953,188 (2019: \$23,929,181) of accumulated surplus was retained for future program commitments.

Impacts of COVID-19

With the global impact of COVID-19 hitting Australia in early 2020, there was a noticeable impact for Rural Aid with not being able to hold large community events, facilitate volunteer programs, deliver the Our Towns and Community programs as well as staff movement around the country.

As restrictions of movement and uncertainty increased, a number of programs were delayed and Rural Aid transitioned to remote operations, with staff working from home and those programs adapting to a remote management model. With the successful transition to remote operations, Rural Aid continued to deliver fodder, water, financial assistance and phone counselling. New programs were also developed and rolled out in May, with the commencement of the Community Builder webinar series and the On The Couch wellbeing webinar series.

The impact of COVID-19 has been greatest felt in revenue, with reduced ability to hold face to face events and reduced donations from corporates and individuals. Across FY20 revenue was 48% less than the prior financial year, with the largest impact from March 2020 to June 2020 where revenue was 57% less than the prior corresponding period.

With the significant decrease in revenue, Rural Aid was eligible to receive Government assistance through the JobKeeper and Cash Flow Boost stimulus programs.

With the changing environment, a review of overhead expenses and organisational structure was undertaken to ensure Rural Aid was in a sustainable position, with a focus on continuing to deliver and supporting the needs of farmers and rural communities. Through this review, Rural Aid was able to work with the landlord of the leased office premises at 8 Colebard Street East Acacia Ridge for rent relief.

Whilst successfully responding to the changing environment, two investment funds were established as planned, to support the long term sustainability of the organisation.

Due to the high level of continuing uncertainty regarding the future impacts of COVID-19 on Rural Aid, we are unable to provide a reliable assessment on the impact it may have on future operations.

Significant changes in state of affairs

Significant changes in the state of affairs of the company during the financial year, were as follows:

Revenue during the financial year was 48% less compared to FY19 although the need and demand for assistance remained high. With the onset of COVID-19 in February 2020, this had quite an impact on revenue but also the ability to deliver a number of programs in their existing format. With the impact on revenue and program delivery, Rural Aid adapted its programs and implemented technology that supported employees in continuing to deliver. The impact also required Rural Aid to realign its organisational structure to ensure the delivery of programs and long term sustainability of the organisation.

There were no other significant changes in the nature of the activities of the organisation during the year.

Short-term and long-term objectives and strategies

The organisation's short and long term objective is to ensure the sustainability of farming and rural communities before, during and after natural disasters. Rural Aid has adopted the following strategies to achieve this objective:

- Delivering two focused, scalable, cost effective programs that meet the needs of recipients;

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DIRECTORS' REPORT

Short-term and long-term objectives and strategies (Continued)

- Ensuring our people has the skills and experience required to deliver the strategic priorities;
- Ensuring the long-term financial viability of the charity through stringent management of funds, meeting immediate needs & making provisions for future events;
- Developing and maintaining strong partnerships with appropriate stakeholders; and
- Implementing robust governance practices.

Principal activities

The principal activity of the company during the year was provide economic and empathetic assistance to farmers and rural communities impacted by natural disaster, by promoting its work to the broader community and partnering with key stakeholders to deliver meaningful outcomes.

No significant change in the nature of these activities occurred during the year.

After balance date events

Particulars of matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years are as follows:

Due to the high level of continuing uncertainty regarding the future impacts of COVID-19 on Rural Aid, we are unable to provide a reliable assessment on the impact it may have on future operations.

Likely developments

The company expects to maintain the present status and level of operations.

Environmental regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends paid, recommended and declared

No dividends were paid or declared since the start of the year. No recommendation for payment of dividends has been made.

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DIRECTORS' REPORT

Information on directors

Alexander Hutton

Qualifications

Experience

Chairman

BEcon, DipBus(PropValuation), MBA

Alex is currently the Chief Executive Officer for Mackays – Australia's leading banana growers and has over 30 years' experience in senior management roles across a range of industry sectors. His leadership positions have included Chief Executive Officer for St John Ambulance (Queensland); Senior Vice President, Comvita USA; General Manager, Comvita Australia; Chief Operating Officer, The Thompson Group; General Manager, Amcor Fibre Packaging QLD/NT; and National Sales Manager and General Manager – Northern Australia, Pivot Limited. Alex has been a non-executive director of several businesses including Combined Rural Traders, Olive Products Australia and Comvita Australia. He has also served on not-for-profit boards as a director and chair. His core competencies include company set-ups in new markets, organisational restructures, brand development and marketing, strategic planning, and the development and implementation of profit improvement plans. His qualifications include a Master of Business Administration, Bachelor of Economics and a Diploma of Business Property Economics.

Special responsibilities

Chair Remuneration Nomination and Performance Committee, Finance Investment and Audit Committee

Barrie Adams

Qualifications

Experience

Deputy Chair

PSM, Fellow CPA

Barrie is a former Commissioner of the Australian Securities and Investments Commission (ASIC). Previous positions include Director of Corporate Development and Operations, Office of the Commissioner for Corporate Affairs; and South Pacific Audit Manager, Shell Group of Companies. Barrie has been an active member of CPA Australia and was a Director on the Board of CPA Australia for three years. Since leaving ASIC, he has held board positions for listed and unlisted public companies, and not-for-profit organisations operating in Australia and overseas. He continues to hold current board positions. Barrie is the chairman of four compliance committees and has delivered presentations on corporate governance and ethics and risk management, directors' duties and corporate social responsibility. He was a regular presenter for CPA Australia and the Institute of Practising Accountants on these topics.

Special responsibilities

Chair Finance Investment and Audit Committee

Ben Pevreall

Qualifications

Experience

Director

BEng

Ben is the Regional Vice President Asia Pacific for Valmont Industries, Inc., a corporation publicly traded on the New York Stock Exchange that produces infrastructure products to support and enrich growing economies around the world. Valmont leads the world in water management for irrigation that helps agricultural producers produce more from their land. Previously, Ben was Sales and Marketing Manager AUS/NZ/PNG/Pacific Islands for Husqvarna Group. He is a sales and marketing specialist with proven results in growing a business and building structure and supporting processes. Ben is renowned as a dynamic, entrepreneurial leader with a high level of commercial acumen, technical expertise and the uncanny ability to develop successful marketing and branding strategies which consistently deliver transformational changes in business.

Special responsibilities

Finance Investment and Audit Committee, Remuneration Nomination and Performance Committee

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DIRECTORS' REPORT

Information on directors (Continued)

Trent Thorne	Director
Qualifications	BCom, LL.B. (Hons IIA), GradDipLegalPrac
Experience	Trent is the co-head of the McCullough Robertson Lawyers Food and Agribusiness group. He is recognised as a committed and passionate legal specialist for the agricultural sector. Trent has over 17 years' experience acting for food and agribusiness clients in a wide range of commercial matters, including complex commercial disputes, corporate & regulatory matters, negotiations, alternative dispute resolution and major pastoral property transactions. His skills in alternative dispute resolution, and as an advocate, are widely acknowledged. He has conducted international arbitrations, lengthy trials in Queensland and acted for major agribusiness entities, large property developers, multinational resource companies, major Government Owned Corporations and large corporate entities. Trent's experience also includes seeking urgent interlocutory injunctions, defending and prosecuting class actions and resolving licensing and regulatory disputes. He is a non-executive director on the board of the AAM Investment Group and his qualifications include a Bachelor of Laws (Hons) and Commerce (UQ).
Special responsibilities	Chair Risk Committee
Sarah Hunter	Director
Qualifications	CPAg, MAICD, FIML
Experience	Sarah is a business and board advisor with experience in the animal health, agriculture veterinary industries. She is Deputy Chair, Company Secretary and Chair of the Nominations Committee of Ag Institute Australia and is committed to promoting the advancement of Australian agriculture and natural resource management. Her core competencies include organisational transformation, leadership through change, commercial acumen, risk mitigation and the execution of commercial strategy. Sarah is a volunteer mentor for the Institute of Managers and Leaders Member Exchange and was a finalist in the NSW Telstra Business Women's Awards in 2016 and 2017.
Special responsibilities	Risk Committee, Remuneration Nomination and Performance Committee
Andrew Hall	Director
Qualifications	BA (Journ&IntlRel), GAICD
Experience	Andrew is the Executive Director and CEO at the Insurance Council of Australia. His previous roles have included Executive General Manager, Corporate Affairs for Commonwealth Bank of Australia; Director Corporate and Public Affairs, Woolworths; Federal Director, National Party of Australia; and Media Adviser to the Hon Warren Truss (former Deputy Prime Minister of Australia). Andrew's expertise has been recognised with admission to the Arthur W. Page Society and inclusion in the International Top 50 Corporate Affairs Professionals list. He has also been acknowledged as one of the Top 50 Outstanding LGBTI Leaders in Australia for his work in leadership roles, diversity and equality campaigns. Andrew has extensive experience in governance, both in the corporate and not-for-profit sectors and currently serves on the boards of The Avner Pancreatic Cancer Foundation and Equality Australia. He began his professional career as a journalist at the Grafton Daily Examiner where his passion for understanding and pursuing the needs of rural and regional Australia was ignited.
Special responsibilities	Risk Committee, Remuneration Nomination and Performance Committee

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DIRECTORS' REPORT

Information on directors (Continued)

Erica Halliday	Director
Qualifications	BAGec, Beef Production and Marketing Scholarship
Experience	Erica has worked in rural communities as a jillaroo, stud master, business facilitator, life coach, board member, businesswoman and most importantly (in her words) as a mother, wife, daughter and sister. As a fourth-generation cattle farmer, Erica understands the complexities and challenges of farming. After studying agricultural economics, beef production and marketing, Erica worked holistically with farm families to balance economics and finance with the land, animals and people. She has run Ben Nevis Angus in partnership with her husband since 2006 and manages genetics and marketing for the enterprise. Erica has held board positions with New England Girls School and the Australian Beef Industry Foundation. Her current appointments include Elected Director, Angus Australia and Committee Member, BREEDPLAN Advisory Committee - Meat and Livestock Australia. Erica is a sought-after guest speaker and award recipient, and organised and volunteered at the 2020 Blaze Aid Yarowitch Fencing program.
Airlie Landale	Director
Qualifications	BComm/BA(PolSc), MFRE
Experience	Airlie is the founder and managing director of Farm Table, a national online knowledge-sharing platform. She is highly experienced in business development, stakeholder engagement and management, technical development, event management, user experience, design and testing, agriculture research, and content development and dissemination. She holds qualifications in food and resource economics, commerce and political science. Airlie's previous roles include Business Analyst, Macquarie Bank's Paraway Pastoral Company Ltd; Drought Coordinator, Edward River Council; Researcher and Columnist, Food Tank Chicago; and Economics and Policy Senior Consultant, PricewaterhouseCoopers Melbourne. Airlie has also worked fulltime on her family's property in Holbrook, New South Wales. She was a member of the Industry Advisory Group for the Australian Government's Farm Cooperatives and Collaboration Pilot Program, and named 2016 Tomorrow Maker (AMP Foundation), 2015 RAS NSW Rural Young Achiever and 2015 Woolworths Agribusiness Scholar.
John Cotter AM	Director (resigned 31 January 2020)
Experience	John is a former Chairman of the Queensland Gasfields Commission and former President of AgForce (Queensland's peak farming organisation). He has over 40 years of providing leadership and high-level negotiation skills across all levels of government, public institutions and within the private sector, facilitating equitable solutions for many diverse issues. John is a business owner and beef producer in the South Burnett Region of South East Queensland, supplying product for both export and domestic markets. He has filled numerous positions on state and national boards, advisory councils and groups, with a particular focus on economic growth and sustainability for rural and regional areas. John has been on the Board of the Queensland Fire and Rescue Authority and on the Emergency Services Ministerial Advisory Council. He has been recognised for his professional, public and community achievements with the; Member of Order of Australia AM; Diligent and Ethical Service Medal (DESM); National Medal; Centenary Medal; Telstra Advance Australia Award and the Australia Day Citizen of the Year Award.
Special responsibilities	Remuneration, Nomination & Performance Committee, Risk Committee
Charles Alder	Chairman (resigned 11 July 2019)
Experience	Charles is a Co-Founder of Rural Aid Ltd.
Tracy Alder	Director (resigned 11 July 2019)
Qualifications	J P (Qual)
Experience	Tracy is a Co-Founder of Rural Aid Ltd.

DIRECTORS' REPORT

Information on directors (Continued)

Sandra Lynch	Director (resigned 11 July 2019)
Experience	Sandra was a Director of Rural Aid Ltd since the charity commenced until their resignation in the current year.
Zelina Turner	Director (resigned 10 July 2019)
Experience	Zelina was a Director of Rural Aid Ltd since the charity commenced until their resignation in the current year.
Mark Creswell	Director (resigned 9 July 2019)
Experience	Mark was a Director of Rural Aid Ltd since the charity commenced until their resignation in the current year.

Meetings of directors

Directors	Directors' meetings		Finance, Investment & Audit committee meetings		Risk committee meetings		Remuneration, Nomination & Performance committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Charles Alder	1	1	-	-	-	-	-	-
Tracy Alder	1	1	-	-	-	-	-	-
Sandra Lynch	1	1	-	-	-	-	-	-
Zelina Turner	1	-	-	-	-	-	-	-
Mark Creswell	1	-	-	-	-	-	-	-
Alexander Hutton	12	12	10	9	-	-	5	5
Ben Pevreall	12	12	10	9	-	-	5	4
John Cotter AM	6	4	-	-	2	1	2	1
Trent Thorne	12	12	-	-	8	8	-	-
Barrie Adams	12	12	10	10	-	-	-	-
Sarah Hunter	12	12	-	-	8	8	5	5
Andrew Hall	12	12	-	-	8	6	5	2
Airlie Landale	1	1	-	-	-	-	-	-
Erica Halliday	1	1	-	-	-	-	-	-

Governance Process

The Board has a defined charter, handbook and documented practices to ensure effective and accountable decision making that supports Rural Aid's strategy and good corporate governance.

To assist in the execution of responsibilities, the Board has established a number of committees including Finance Investment & Audit Committee, Risk Committee, Remuneration Nomination & Performance Committee and the Fundraising Committee. The Board have written and approved charters for each committee, which are reviewed on an annual basis.

Finance, Investment & Audit Committee

The Finance, Investment & Audit Committee assists the Board to discharge its responsibility to manage the budgetary processes and strategic financial management of the organisation. In doing so the Finance, Investment & Audit Committee has responsibility for budgeting, investment management, external statutory and financial reporting, internal control framework, external audit, financial monitoring and policy development.

DIRECTORS' REPORT

Information on directors (Continued)

The Finance, Investment & Audit Committee comprised the following members during the financial year:

- Barrie Adams (Committee Chair)
- Alexander Hutton
- Ben Pevreall

Risk Committee

The Risk Committee assists the Board to develop and maintain the risk management framework, including ensuring that identified risk are appropriately managed and mitigated. In doing so the Risk Committee has responsibility for the risk management framework, risk monitoring, emerging risk, compliance monitoring and policy development.

The Risk Committee comprised the following members during the financial year:

- Trent Thorne (Committee Chair)
- Sarah Hunter
- Andrew Hall
- John Cotter AM (resigned 31 January 2020)

Remuneration, Nomination & Performance Committee

The Remuneration, Nomination & Performance Committee assists the Board by ensuring effective oversight of executive and employee performance. In doing so the Remuneration, Nomination & Performance Committee has responsibility for CEO oversight, employee performance, remuneration, talent and succession planning, human resources framework and policy development.

The Remuneration Nomination & Performance Committee comprised the following members during the financial year:

- Alexander Hutton (Committee Chair)
- Sarah Hunter
- Ben Pevreall
- Andrew Hall
- John Cotter AM (resigned 31 January 2020)

Fundraising Committee

In July 2020 the Board established a Fundraising Committee to assist the Board by ensuring effective oversight of fundraising activities and corporate partnerships. In doing so the Fundraising Committee has responsibility for overseeing the identification and implementation of new fundraising initiatives and new corporate partnerships.

As the Fundraising Committee was established in July 2020 there were no meetings of the committee during FY20.

Members guarantee

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 to a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2020 the number of members was 8. The combined total amount that members of the company are liable to contribute if the company is wound up is \$80.

Indemnification of officers

During or since the end of the year, the company has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums in order to indemnify the directors of the company.

Further disclosure required under section 300(9) of the *Corporations Act 2001* is prohibited under the terms of the contract.

RURAL AID LTD
 ABN: 29 605 783 597
 DIRECTORS' REPORT



Level 38, 345 Queen Street
 Brisbane, QLD 4000
 Postal address
 GPO Box 1144
 Brisbane, QLD 4001
 p. +61 7 3222 8444

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the company.

Proceedings on behalf of the company

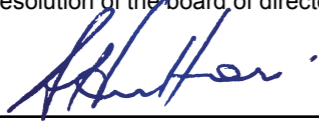
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Directors
 Rural Aid Ltd
 8 Colebard Street
 Acacia Ridge QLD 4110

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2020, to the best of my knowledge and belief there have been no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Signed in accordance with a resolution of the board of directors.

Director: 
 Alexander Hutton

Dated this 20 day of November 2020

PITCHER PARTNERS


 JASON EVANS
 Partner

Brisbane, Queensland
 20 November 2020

Brisbane Sydney Newcastle Melbourne Adelaide Perth



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RURAL AID LTD
ABN: 29 605 783 597

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue and other income			
Revenue	3	31,082,489	60,337,954
Interest income from financial instruments measured at amortised cost		251,009	346,590
Other income	4	<u>396,250</u>	<u>-</u>
		<u>31,729,748</u>	<u>60,684,544</u>
Less: expenses			
Direct program dispersals	5	(28,573,824)	(32,049,635)
Fundraising costs		(1,136,123)	(1,784,661)
Administration expenses		(4,727,552)	(2,732,362)
Occupancy expenses		(29,820)	(74,961)
Borrowing costs	5	(10,622)	-
Other expenses		<u>(1,227,800)</u>	<u>(948,650)</u>
		<u>(35,705,741)</u>	<u>(37,590,269)</u>
Surplus / (operating deficit) for the year		(3,975,993)	23,094,275
Other comprehensive income for the year		-	-
Total comprehensive income		<u>(3,975,993)</u>	<u>23,094,275</u>

The accompanying notes form part of these financial statements.

RURAL AID LTD
ABN: 29 605 783 597

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	6	14,454,589	8,053,640
Receivables	7	529,001	865,584
Inventories	8	2,352,206	270,761
Other financial assets	9	-	15,000,000
Other assets	10	<u>516,069</u>	<u>312,393</u>
Total current assets		<u>17,851,865</u>	<u>24,502,378</u>
Non-current assets			
Other financial assets	9	3,931,474	-
Intangible assets	12	26,274	36,937
Lease assets	13	255,925	-
Property, plant and equipment	11	<u>700,173</u>	<u>761,525</u>
Total non-current assets		<u>4,913,846</u>	<u>798,462</u>
Total assets		<u>22,765,711</u>	<u>25,300,840</u>
Current liabilities			
Payables	14	2,007,003	1,273,016
Lease liabilities	13	114,084	-
Provisions	15	148,124	98,643
Contract liabilities	16	<u>414,320</u>	<u>-</u>
Total current liabilities		<u>2,683,531</u>	<u>1,371,659</u>
Non-current liabilities			
Lease liabilities	13	<u>128,992</u>	<u>-</u>
Total non-current liabilities		<u>128,992</u>	<u>-</u>
Total liabilities		<u>2,812,523</u>	<u>1,371,659</u>
Net assets		<u>19,953,188</u>	<u>23,929,181</u>
Equity			
Accumulated surplus		<u>19,953,188</u>	<u>23,929,181</u>
Total equity		<u>19,953,188</u>	<u>23,929,181</u>

The accompanying notes form part of these financial statements.

RURAL AID LTD
ABN: 29 605 783 597

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated surplus \$	Total equity \$
Balance as at 1 July 2018	834,906	834,906
Surplus for the year	<u>23,094,275</u>	<u>23,094,275</u>
Total comprehensive income for the year	<u>23,094,275</u>	<u>23,094,275</u>
Balance as at 30 June 2019	<u>23,929,181</u>	<u>23,929,181</u>
Balance as at 1 July 2019	23,929,181	23,929,181
Operating deficit for the year	<u>(3,975,993)</u>	<u>(3,975,993)</u>
Total comprehensive income for the year	<u>(3,975,993)</u>	<u>(3,975,993)</u>
Balance as at 30 June 2020	<u>19,953,188</u>	<u>19,953,188</u>

The accompanying notes form part of these financial statements.

RURAL AID LTD
ABN: 29 605 783 597

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Cash flow from operating activities			
Receipts from donations, bequests and raffles		32,201,101	54,083,687
Payments to suppliers and employees		(37,251,395)	(37,408,339)
Interest received		251,009	346,590
Finance costs		(10,622)	-
Government Subsidies and Grants		<u>366,610</u>	<u>6,074,535</u>
Net cash provided by / (used in) operating activities	20(b)	<u>(4,443,297)</u>	<u>23,096,473</u>
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		-	4,426
Payment for property, plant and equipment		(112,830)	(638,317)
Net proceeds / payment for other financial assets		11,053,456	(15,000,000)
Payment for intangibles		(10,900)	(45,455)
Net cash provided by / (used in) investing activities		<u>10,929,726</u>	<u>(15,679,346)</u>
Cash flow from financing activities			
Principal portion of lease payments		(129,613)	-
Net proceeds / (payments) of loans to related parties		<u>44,133</u>	<u>(44,133)</u>
Net cash provided by / (used in) financing activities		<u>(85,480)</u>	<u>(44,133)</u>
Reconciliation of cash			
Cash at beginning of the financial year		8,053,640	680,646
Net increase in cash held		<u>6,400,949</u>	<u>7,372,994</u>
Cash at end of financial year	20(a)	<u>14,454,589</u>	<u>8,053,640</u>

The accompanying notes form part of these financial statements.

RURAL AID LTD
ABN: 29 605 783 597

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Rural Aid Ltd as an individual entity. Rural Aid Ltd is a company limited by guarantee, incorporated and domiciled in Australia. Rural Aid Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The following are the significant accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) New and revised accounting standards effective at 30 June 2020

The company has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2019, including AASB 16 *Leases* (AASB 16), AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) and AASB 15: *Revenue from Contracts with Customers* (AASB 15).

AASB 16: Leases

AASB 16 replaces AASB 117 *Leases* and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- (a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for on a cost basis unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
 - i. investment property, the lessee applies the fair value model in AASB 140 *Investment Property* to the right-of-use asset; or
 - ii. property, plant or equipment, the applies the revaluation model in AASB 116 *Property, Plant and Equipment* to all of the right-of-use assets that relate to that class of property, plant and equipment; and
- (b) lease liabilities are accounted for on a similar basis to other financial liabilities, whereby interest expense is recognised in respect of the lease liability and the carrying amount of the lease liability is reduced to reflect the principal portion of lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements of the predecessor standard, AASB 117. Accordingly, under AASB 16 a lessor continues to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and accounts for each type of lease in a manner consistent with the current approach under AASB 117.

In accordance with the transition requirements of AASB 16, the company has elected to apply AASB 16 retrospectively to those contracts that were previously identified as leases under the predecessor standard, with the cumulative effect, if any, of initially applying the new standard recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

RURAL AID LTD
ABN: 29 605 783 597

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) New and revised accounting standards effective at 30 June 2020 (Continued)

The company has also elected to apply the following practical expedients to the measurement of right-of-use assets and lease liabilities in relation to those leases previously classified as operating leases under the predecessor standard:

- to recognise each right-of-use asset at the date of initial application at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application;
- to not recognise a right-of-use asset and a lease liability for leases for which the underlying asset is of low value;
- to not recognise a right-of-use asset and a lease liability for leases for which the lease term ends within 12 months of the date of initial application;
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- to adjust each right-of-use asset at the date of initial application by the amount of any provision for onerous leases recognised in the statement of financial position immediately before the date of initial application;
- to exclude initial direct costs from the measurement of each right-of-use asset at the date of initial application; and
- to use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

The application of AASB 16 resulted in the recognition of right-of-use assets with an aggregate carrying amount of \$380,515 (referred to in these financial statements as "lease assets") and corresponding lease liabilities with an aggregate carrying amount of \$380,515. The weighted average incremental borrowing rate applied in the calculation of the initial carrying amount of lease liabilities was 3.36%.

AASB 1058: Income for not-for-profit entities and AASB 15: Revenue from contracts with customers

AASB 1058 replaces the income recognition requirements in AASB 1004: *Contributions* applicable to private sector not-for-profit entities with a model based on the principles of AASB 15: *Revenue from Contracts with Customers*. Consequently, AASB 1058 requires private sector not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer (and therefore accounted for under AASB 15) if the agreement:

- (a) creates enforceable rights and obligations between the parties; and
- (b) includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is not related to the promised goods or services.

When an arrangement does not meet the criteria for a contract with a customer under AASB 15, the arrangement is accounted for in accordance with AASB 1058, which requires:

- (a) the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard, which in most circumstances requires the asset to be initially measured at its fair value;
- (b) any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions) to be accounted for in accordance with the applicable Australian Accounting Standard; and
- (c) any difference between the consideration given for the asset and its fair value, after recognising any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions), is recognised as income.

However, amending standard AASB 2018-8 provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirement to right-of-use assets arising under leases with significantly below-market terms and conditions. This enables not-for-profit entities to elect to initially measure such right-of-use assets at cost rather than fair value, which has the corresponding effect of reducing the amount of income recognised under AASB 1058.

AASB 1058 also permits a not-for-profit entity to recognise volunteer services as an asset or expense (as applicable) and any related contributions by owners or revenue as an accounting policy choice, provided that the fair value of the services can be measured reliably.

RURAL AID LTD
ABN: 29 605 783 597

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) New and revised accounting standards effective at 30 June 2020 (Continued)

AASB 1058 also has specific recognition criteria in relation to transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity. The obligation to acquire or construct the non-financial asset is accounted for similarly to a performance obligation under AASB 15.

In accordance with the transition requirements of AASB 1058 and AASB 15, the company has elected to apply AASB 1058 and AASB 15 retrospectively, with the cumulative effect, if any, of initially applying the new standards recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

The application of AASB 1058 and AASB 15 has not materially impacted the recognition and measurement of income or revenue from contracts with customers at the initial application date.

Further details of the company's accounting policy in relation to accounting for income under AASB 1058 and revenue from contracts with customers under AASB 15 are contained in Note 1(c).

(c) Revenue recognition

The company derives revenue from sale of goods, donations, sponsorship and government subsidies and grants. Revenue is recognised as, or when, goods or services are transferred to the customer, and is measured at an amount that reflects the consideration to which the company expects to be entitled in exchange for the goods or services.

Revenue from the sale of goods

Revenue from the sale of good comprises revenue derived from the sale of goods purchased for resale and goods donated for resale. Revenue is recognised at the point in time when control of the goods is transferred to the customer, which generally occurs at the time the goods are purchased by customers from the Company.

Revenue from donations

Donations are recognised at the time the pledge is made.

Revenue from sponsorship and government subsidies and grants

Sponsorship and government subsidies and grants are recognised in the profit or loss when the company satisfies the performance obligations stated within the funding agreements. If conditions are attached which must be satisfied before the company is eligible to retain the contribution, the sponsorship or government subsidy and grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest revenue

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

(d) Income tax

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

RURAL AID LTD
ABN: 29 605 783 597

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (Foci) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the company's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the company for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the company are subsequently measured at amortised cost.

Trade and other receivables

Trade and other receivables arise from the company's transactions with its customers and are normally settled within 30 days.

Consistent with both the company's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Impairment of financial assets

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

- (a) debt instruments measured at amortised cost;
- (b) debt instruments classified at fair value through other comprehensive income; and
- (c) receivables from contracts with customers, contract assets and lease receivables.

The company applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the AASB 9 simplified approach, the company determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (Continued)

The company consider a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The company assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The company considers a financial asset to have a low credit risk when the counterparty has an external 'investment grade' credit rating (if available) of BBB or higher, or otherwise is assessed by the company to have a strong financial position and no history of past due amounts from previous transactions with the company.

The company assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The company determines expected credit losses using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The company has identified contractual payments more than 90 days past due as default events for the purpose of measuring expected credit losses. These default events have been selected based on the company's historical experience. Because contract assets are directly related to unbilled work in progress, contract assets have a similar credit risk profile to receivables from contracts with customers. Accordingly, the company applies the same approach to measuring expected credit losses of receivables from contracts with customers as it does to measuring impairment losses on contract assets.

The measurement of expected credit losses reflects the company's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the company's exposure at default, discounted at the financial asset's original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

- significant financial difficulty of the issuer or the borrower;
- breach of contract;
- the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the company has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the company. Recoveries, if any, are recognised in profit or loss.

(f) Inventories

Inventories held for distribution at no or nominal consideration are measured at lower of cost and current replacement cost.

(g) Property, plant and equipment

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment (Continued)*Plant and equipment*

Plant and equipment is measured at cost. Where plant and equipment was acquired at no cost or for a nominal amount, cost is deemed to be the fair value as at the acquisition date.

Depreciation

The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Class of fixed asset	Depreciation rates	Depreciation basis
Leasehold improvements at cost	Lease term	Straight line
Plant and equipment at cost	5% to 20%	Straight line
Motor vehicles at cost	12.5% to 20%	Straight line
Office equipment at cost	7% to 50%	Straight line
Furniture, fixtures and fittings at cost	5% to 50%	Straight line

(h) Employee benefits*(i) Short-term employee benefit obligations*

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

*(iii) Retirement benefit obligations**Defined contribution superannuation plan*

The company makes superannuation contributions to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the related employee services are received. The company's obligation with respect to employee's defined contributions 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 statement of financial position.

RURAL AID LTD
ABN: 29 605 783 597

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Provisions

Provisions are recognised when the company 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.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(j) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the company recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the company, and an estimate of costs to be incurred by the company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the company's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(k) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

RURAL AID LTD
ABN: 29 605 783 597

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

AASB 1059: Service Concession Arrangements: Grantors, AASB 2018-5: Amendments to Australian Accounting Standards - Deferral of AASB 1059 and AASB 2019-2 Amendments to Australian Accounting Standards - Implementation of AASB 1059 (applicable for annual reporting periods commencing on or after 1 January 2020)

AASB 1059 is based on IPSAS 32: *Service Concession Arrangements: Grantor* and applies to arrangements that involve an operator providing public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and managing at least some of those services. Under AASB 1059, a grantor is required to, among other things:

- (a) recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- (b) reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- (c) initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in AASB 13: Fair Value Measurement. Subsequent to initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116: Property, Plant and Equipment or AASB 138: Intangible Assets, as appropriate, except as specified in AASB 1059; and
- (d) recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator. The liability is recognised using either or both of the following models:
 - i. the financial liability model - applicable where the grantor has an obligation to deliver cash or another financial asset to the operator for the delivery of the service concession asset; and
 - ii. the grant of a right to the operator model - applicable where the grantor grants the operator the right to earn revenue from third-party users of the service concession asset.

AASB 1059, and the applicable amending standards, mandatorily apply to annual reporting periods commencing on or after 1 January 2020, and will be first applied by the company in the financial year commencing 1 July 2020.

The directors of the company has not yet determined the likely impact of the initial application of this standard on its financial statements.

RURAL AID LTD
ABN: 29 605 783 597

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (applicable for annual reporting periods commencing on or after 1 July 2021)

AASB 1060 sets out a new, separate disclosure standard to be applied by all entities that are preparing general purpose financial statements and elect to apply the Tier 2 reporting requirements under AASB 1053 *Application of Tiers of Australian Accounting Standards*. This standard will replace the current Reduced Disclosure Regime framework and will only impact disclosures and not recognition and measurement requirements of the entity.

AASB 1060 mandatorily applies to annual reporting periods commencing on or after 1 July 2021 and will be first applied by the company in the financial year commencing 1 July 2021.

The directors of the company has not yet determined the likely impact of the initial application of this standard on its financial statements.

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework (applicable for annual reporting periods commencing on or after 1 January 2020)

AASB 2019-1 amends Australian Accounting Standards (AAS), Interpretations and other pronouncements to reflect the issue of the Conceptual Framework for Financial Reporting (Conceptual Framework). The application of the Conceptual Framework is at present limited to:

- (a) for-profit private sector entities that have public accountability and are required by legislation to comply with AAS; and
- (b) other for-profit entities that voluntarily elect to apply the Conceptual Framework which would permit compliance with AAS (Tier 1) and IFRS.

This Standard makes amendments to AAS, Interpretations and other pronouncements to permit other entities to continue using the Framework for the Preparation and Presentation of Financial Statements adopted by the AASB in 2004 (Framework) and Statement of Accounting Concepts SAC 1 Definition of the Reporting Entity to determine whether they are a reporting entity that needs to prepare general purpose financial statements that comply with AAS.

AASB 2019-1 mandatorily applies to annual reporting periods commencing on or after 1 January 2020 and will be first applied by the company in the financial year commencing 1 July 2020.

The directors of the company has not yet determined the likely impact of the initial application of this standard on its financial statements.

AASB 2020-4: Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions (applicable for annual reporting periods commencing on or after 1 June 2020)

AASB 2020-4 amends AASB 16: *Leases* to provide an optional practical expedient to lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

AASB 2020-4 mandatorily applies to annual reporting periods commencing on or after 1 June 2020 and is available for earlier application. It will be applied by the company in the financial year commencing 1 July 2020.

The directors of the company has not yet determined the likely impact of the initial application of this standard on its financial statements.

RURAL AID LTD
ABN: 29 605 783 597

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2020
\$

2019
\$

NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS

Sale of goods	182,112	111,304
Sponsorship	6,091	42,245
Donations	30,761,676	54,109,870
Government Subsidies and Grants	132,610	6,074,535
	<u>31,082,489</u>	<u>60,337,954</u>

NOTE 4: OTHER INCOME

Other Income		
JobKeeper	333,750	-
Cash Flow Boost	62,500	-
	<u>396,250</u>	<u>-</u>

NOTE 5: OPERATING PROFIT

Profit before income tax has been determined after:

<i>Expenses by nature</i>		
Finance costs	10,622	-
Depreciation and amortisation	314,628	98,442
Bad and doubtful debts	43,256	45,777
Employee benefits	3,562,541	1,593,570
<i>Other (gains) / losses</i>		
Loss on fair value adjustments	15,070	-
Loss on disposal of non-current assets	-	4,426

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand	1,200	-
Cash at bank	8,166,239	2,999,973
Cash on deposit	6,287,150	5,053,667
	<u>14,454,589</u>	<u>8,053,640</u>

NOTE 7: RECEIVABLES

CURRENT		
Receivables	4,873	182,019
Other receivables	524,128	639,432
Amounts receivable from:		
- directors	-	20,000
- director related parties	-	24,133
	<u>529,001</u>	<u>865,584</u>

RURAL AID LTD
ABN: 29 605 783 597

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
NOTE 8: INVENTORIES		
CURRENT		
At cost		
Fodder	2,265,226	-
Finished goods	86,980	270,761
	<u>2,352,206</u>	<u>270,761</u>
NOTE 9: OTHER FINANCIAL ASSETS		
CURRENT		
Term deposit measured at amortised cost	-	15,000,000
NON CURRENT		
<i>Financial assets at fair value through profit or loss</i>		
Investment portfolio	3,931,474	-
	<u>3,931,474</u>	<u>-</u>
All financial assets at fair value through profit or loss are held for trading.		
NOTE 10: OTHER ASSETS		
CURRENT		
Prepayments	447,206	312,393
Other current assets	68,863	-
	<u>516,069</u>	<u>312,393</u>
NOTE 11: PROPERTY, PLANT AND EQUIPMENT		
Leasehold improvements		
At cost	79,373	30,870
Accumulated depreciation	(27,209)	(4,620)
	<u>52,164</u>	<u>26,250</u>
Plant and equipment		
Plant and equipment at cost	59,286	47,694
Accumulated depreciation	(22,318)	(15,095)
	<u>36,968</u>	<u>32,599</u>
Motor vehicles at cost	724,928	705,615
Accumulated depreciation	(180,118)	(79,896)
	<u>544,810</u>	<u>625,719</u>
Office equipment at cost	106,462	96,656
Accumulated depreciation	(52,074)	(33,751)
	<u>54,388</u>	<u>62,905</u>

RURAL AID LTD
ABN: 29 605 783 597

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
Furniture, fixtures and fittings at cost	16,908	24,870
Accumulated depreciation	(5,065)	(10,818)
	<u>11,843</u>	<u>14,052</u>
Total plant and equipment	<u>648,009</u>	<u>735,275</u>
Total property, plant and equipment	<u>700,173</u>	<u>761,525</u>
(a) Reconciliations		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year		
<i>Leasehold improvements</i>		
Opening carrying amount	26,250	-
Additions	48,503	30,870
Depreciation expense	(22,589)	(4,620)
Closing carrying amount	<u>52,164</u>	<u>26,250</u>
<i>Plant and equipment</i>		
Opening carrying amount	32,599	15,989
Additions	17,783	24,153
Disposals	(1,687)	-
Depreciation expense	(11,727)	(7,543)
Closing carrying amount	<u>36,968</u>	<u>32,599</u>
<i>Motor vehicles</i>		
Opening carrying amount	625,719	167,080
Additions	19,313	514,234
Depreciation expense	(100,222)	(55,595)
Closing carrying amount	<u>544,810</u>	<u>625,719</u>
<i>Office equipment</i>		
Opening carrying amount	62,905	26,705
Additions	22,646	59,098
Disposals	(1,952)	(4,426)
Depreciation expense	(29,211)	(18,472)
Closing carrying amount	<u>54,388</u>	<u>62,905</u>
<i>Furniture, fixtures and fittings</i>		
Opening carrying amount	14,052	7,784
Additions	4,585	9,962
Disposals	(2,067)	-
Depreciation expense	(4,727)	(3,694)
Closing carrying amount	<u>11,843</u>	<u>14,052</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
NOTE 12: INTANGIBLE ASSETS		
Trademarks and licences at cost	56,355	45,455
Accumulated amortisation and impairment	<u>(30,081)</u>	<u>(8,518)</u>
	<u>26,274</u>	<u>36,937</u>

(a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

Trademarks and licences at cost

Opening balance	36,937	-
Additions	10,900	45,455
Amortisation expense	<u>(21,563)</u>	<u>(8,518)</u>
Closing balance	<u>26,274</u>	<u>36,937</u>

Amortisation expense in relation to intangible assets has been recognised in other expenses within profit or loss.

NOTE 13: LEASE ASSETS AND LEASE LIABILITIES**Lease arrangements (30 June 2020)**

The following information relates to the current reporting period only, and is presented in accordance with AASB 16 *Leases* (which was applied by the company for the first time in the current reporting period).

	2020 \$
(a) Lease assets	
Buildings	
Under lease	361,390
Accumulated depreciation	<u>(120,464)</u>
	240,926
Office equipment under lease	19,125
Accumulated depreciation	<u>(4,126)</u>
	<u>14,999</u>
Total carrying amount of lease assets	<u>255,925</u>

Reconciliations

Reconciliation of the carry amount of lease assets at the beginning and end of the financial year:

Buildings

Initial adoption	361,390
Depreciation	<u>(120,464)</u>
Closing carrying amount	<u>240,926</u>

Office equipment

Initial adoption	19,125
Depreciation	<u>(4,126)</u>
Closing carrying amount	<u>14,999</u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**NOTE 13: LEASE ASSETS AND LEASE LIABILITIES (CONTINUED)**

	2020 \$
(b) Lease liabilities	
CURRENT	
Buildings	109,966
Office equipment	<u>4,118</u>
	<u>114,084</u>
NON CURRENT	
Buildings	117,958
Office equipment	<u>11,034</u>
	<u>128,992</u>
Total carrying amount of lease liabilities	<u>243,076</u>
(c) Lease expenses and cashflows	
Interest expense on lease liabilities	10,622
Gains recognised in profit or loss to reflect changes in lease payments arising from rent concessions occurring as a direct consequence of the Covid-19 pandemic	7,825
Depreciation expense on lease assets	124,590
Cash outflow in relation to leases	111,354

	2020 \$	2019 \$
NOTE 14: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	158,424	964,596
Sundry creditors and accruals	<u>1,848,579</u>	<u>308,420</u>
	<u>2,007,003</u>	<u>1,273,016</u>

NOTE 15: PROVISIONS

CURRENT		
Employee benefits	<u>148,124</u>	<u>98,643</u>

NOTE 16: CONTRACT LIABILITIES

CURRENT		
Revenue received in advance	<u>414,320</u>	<u>-</u>

RURAL AID LTD
ABN: 29 605 783 597

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 17: MEMBERS' GUARANTEE

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 to a maximum of \$10 each towards meeting any outstandings and obligations of the company. At 30 June 2020 the number of members was 8. The combined total amount that members of the company are liable to contribute if the company is wound up is \$80.

NOTE 18: KEY MANAGEMENT PERSONNEL COMPENSATION

	2020	2019
	\$	\$
Total compensation received by key management personnel of the company	<u>741,852</u>	<u>569,666</u>

During the current year no Director Fees were paid or are payable to Directors.

NOTE 19: RELATED PARTY TRANSACTIONS

(a) Transactions with other related parties

Consultancy	132,375	40,000
IT security services	79,500	-
Lease for office premises	-	72,703
Loan to related parties	-	44,133
Trademarks and licences	<u>10,000</u>	<u>45,455</u>

One Director was engaged during the year, through a consultancy arrangement, as Interim CEO and to undertake a number of program and organisational reviews. As the recruitment process for a new CEO had commenced, the appointment of an interim CEO was considered for a short period and essential to ensure continuity in implementing the Board strategy and plan. The Director appointed did not participate in the vote on the resolution to appoint them as the interim CEO.

During the year the main 1300 telephone number of Rural Aid was purchased from a related party which was under external administration. The purchase price and terms were determined on an arm's length basis, with the purchase through an independent third party. The asset purchased was considered a significant asset of the organisation due to its public communication to donors and beneficiaries as a key contact method. In the previous year, the domain name www.buyabal.com.au was purchased from a related party which was under external administration. The purchase price and terms were determined on an arm's length basis.

A Director of Rural Aid was also a Director of a supplier of IT security services to Rural Aid during the financial year. Rural Aid's relationship with the supplier commenced prior to the director being appointed to the Rural Aid Board. The Director does not participate in Board decision making with regards to this supplier.

Lease payments were made to and on behalf of a related party in relation to a lease between the related party and the lessor in the year ended 30 June 2019.

Two loans to related parties were entered into during the year ended 30 June 2019, the terms of these loans are at an arm's length interest rate of 10.69%. These loans have been paid in full by 30 June 2020, refer to cash flow statement for net proceeds / payments to related parties.

RURAL AID LTD
ABN: 29 605 783 597

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$

NOTE 20: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:

Cash on hand	1,200	-
Cash at bank	8,166,239	2,999,973
At call deposits with financial institutions	<u>6,287,150</u>	<u>5,053,667</u>
	<u>14,454,589</u>	<u>8,053,640</u>

(b) Reconciliation of cash flow from operations with profit after income tax

Profit / (loss) from ordinary activities after income tax	(3,975,993)	23,094,275
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Adjustments and non-cash items

Depreciation and amortisation	314,628	98,442
Net (gain) / loss on disposal of property, plant and equipment	5,707	-
Fair value adjustment to financial instruments	15,070	-
Other	(7,826)	-
Bad debts	43,256	45,777

Changes in operating assets and liabilities

(Increase) / decrease in receivables	249,194	(735,668)
(Increase) / decrease in other assets	(203,676)	(295,233)
(Increase) / decrease in inventories	(2,081,445)	(242,366)
Increase / (decrease) in payables	733,987	1,105,761
Increase / (decrease) in other liabilities	414,320	-
Increase / (decrease) in provisions	<u>49,481</u>	<u>25,485</u>
Cash flows from operating activities	<u>(4,443,297)</u>	<u>23,096,473</u>

NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while the financial impact for the company to 30 June 2020 has been negative, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

RURAL AID LTD
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DIRECTORS' DECLARATION

The directors declare that:

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

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

Director:  _____
 Alexander Hutton

Dated this 20 day of November 2020



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Independent Auditor's Report to the Members of Rural Aid Ltd

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Rural Aid Ltd (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the financial report of Rural Aid Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the Registered Entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

Cash donations, representing 1.9% of total revenue, are a source of fundraising revenue for the Registered Entity. The Registered Entity has determined that it is impracticable to establish control over the collection of cash donations of \$588,820 prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to cash donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion on whether the recorded cash donations of the Registered Entity are complete.

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

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.



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Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Responsible Entities and Those Charged with Governance for the Financial Report.

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

In preparing the financial report, responsible entities are responsible for assessing the Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the 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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the responsible entity's 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 Registered Entity'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 Registered Entity 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.

We communicate with those charged with governance 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.

Pitcher Partners

PITCHER PARTNERS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
20 November 2020



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Contact Admin at **1300 327 624** requesting the fundraising coordinator



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