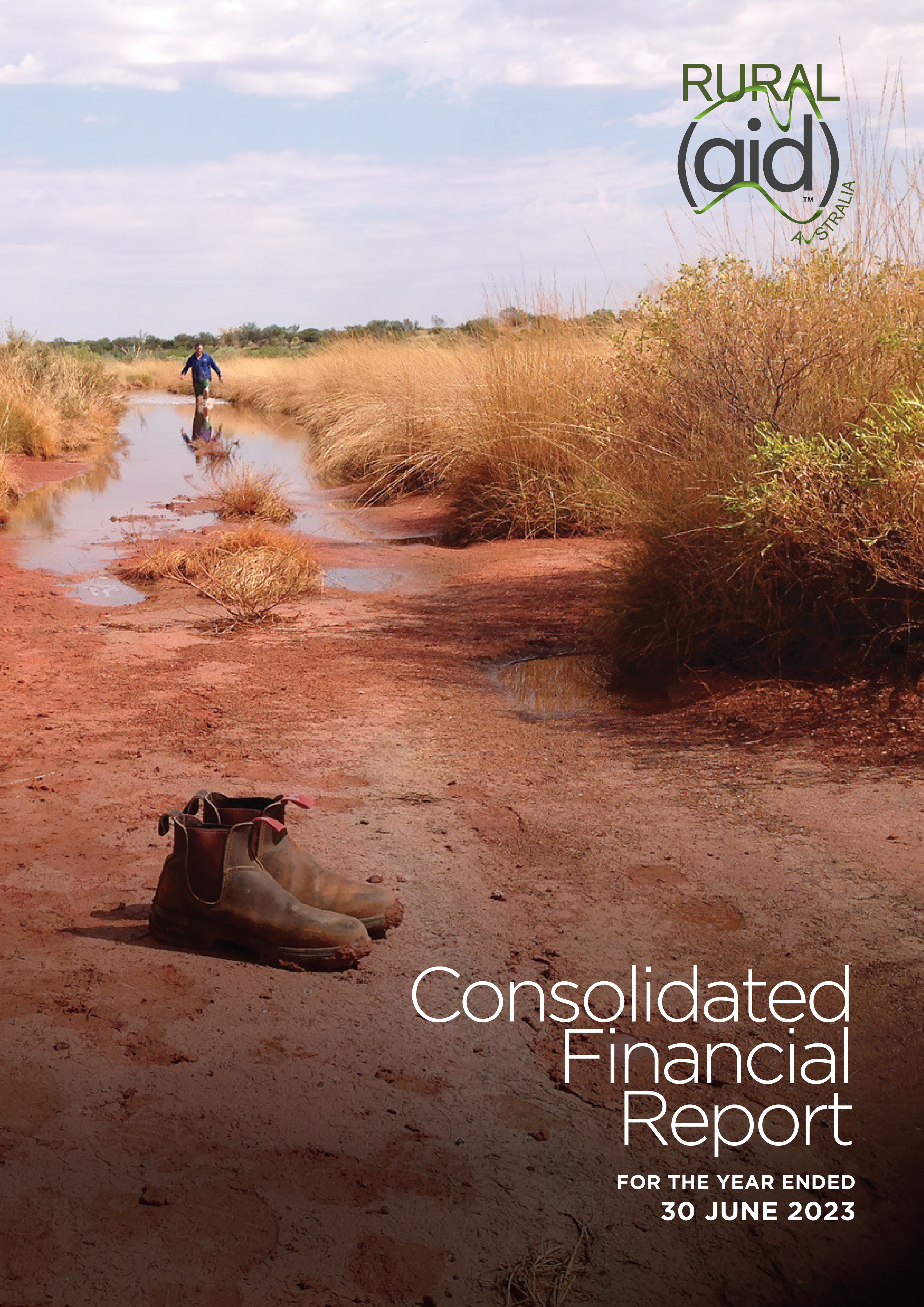
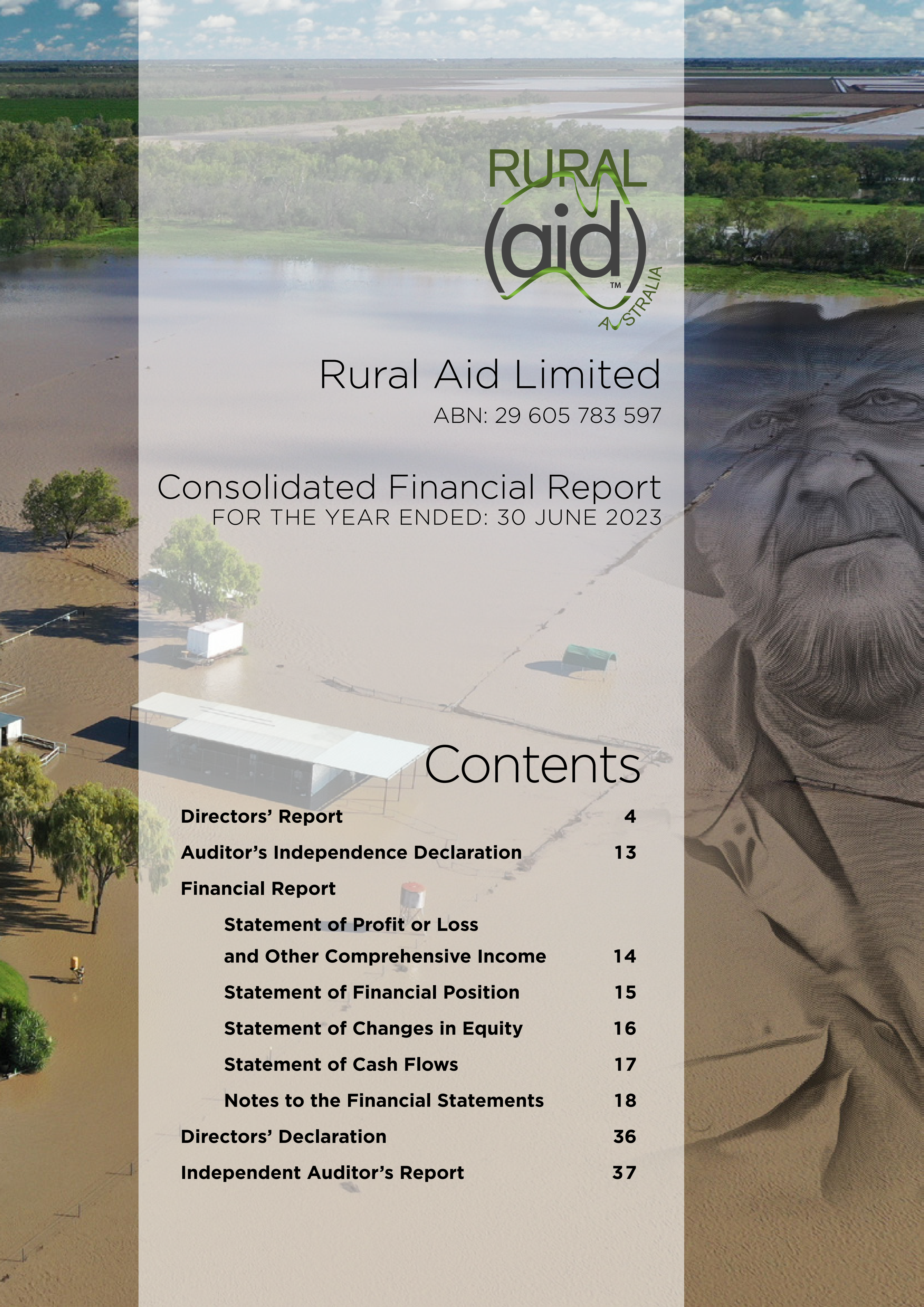


RURAL (aid) AUSTRALIA

Consolidated Financial Report

FOR THE YEAR ENDED 30 JUNE 2023



Rural Aid Limited

ABN: 29 605 783 597

Consolidated Financial Report

FOR THE YEAR ENDED: 30 JUNE 2023

Contents

RURAL (aid) AUSTRALIA
Rural Aid
LIMITED
ABN: 29 605 783 597

DIRECTORS' REPORT

The directors present their report together with the financial report of Rural Aid Ltd, being the company and its controlled entities ("the group"), for the year ended 30 June 2023 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:

Alexander Hutton

Ben Pevreall

Trent Thorne

Barrie Adams

Sarah Hunter

Andrew Hall

Airlie Landale

Erica Halliday

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

Results

The loss of the group for the year after providing for income tax amounted to $1,548,466 (2022: $3,538,176).

Review of operations

The group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

During the year ended 30 June 2023 Rural Aid dispersed $4,114,923 in assistance to farmers and rural communities.

Fundraising campaigns and continued support from corporate partners and individuals resulted in another successful year. Rural Aid's supporters provided $7,531,644 in donations during the year ended 30 June 2023. This indicates the commitment to providing support for Rural Aid's programs, which deliver meaningful and impactful results for farmers, their families and communities.

For FY23 the organisation made an operating deficit of $1,548,466 (2022: $3,538,176).

At year end $12,208,672 (2022: $13,757,138) of accumulated surplus was retained for future program commitments.

Rural Aid continued to deliver fodder, water, financial assistance, community programs and counselling whilst responding to multiple disasters that impacted rural communities across Australia.

DIRECTORS' REPORT

Significant changes in state of affairs

There were no significant changes in the group's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

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;
- Ensuring our people have 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.

Rural Aid measures its performance through regular meetings of Directors and committees, monthly management reporting and analysis versus budget, delivery of organisational goals and reporting of program activities.

Principal activities

The principal activity of the company during the yearwas providing 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

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

Likely developments

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

Environmental regulation

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

DIRECTORS' REPORT

Information on directors

Alexander Hutton	Chairman
Qualifications	BEcon, DipBus(PropValuation), MBA
Experience	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	Finance Investment and Audit Committee, Risk Committee
Barrie Adams	Deputy Chair
Qualifications	PSM, Fellow CPA
Experience	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 l responsibility.
Special responsibilities	Chair Finance Investment and Audit Committee, Fundraising Committee
Ben Pevreall	Director
Qualifications	BEng
Experience	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

DIRECTORS' REPORT

Information on directors (Continued)

Trent Thorne	Director
Qualifications	BCom, LL.B. (Hons IIA), GradDipLegalPrac
Experience	Trent is a Partner at Hamilton Locke Lawyers and co-lead of its Food and Agribusiness group. He is recognised as a committed and passionate legal specialist for the agricultural sector. Trent has over 18 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, Remuneration Nomination and Performance Committee
Sarah Hunter	Director
Qualifications	BScAgr, CAg, GAICD, FIML
Experience	Sarah is a Director of the Veterinary Practitioners Board of NSW, Chair of Ag Institute Australia and committed to promoting the advancement of Australian agriculture and natural resource management. Until June 2023, she delivered the Australian Government's Entrepreneurs' Programme as a Strengthening Business Facilitator. Formerly Commercial Director and Director of Commercial Excellence (SANZA Region) at Virbac, she was twice recognized during that time as a New South Wales Finalist for the Telstra Australian Business Women's (Corporate and Private) Awards. Sarah has over 15 years' experience in animal health and agribusiness, with core competencies including organisational transformation, leadership through change, and the execution of commercial strategy.
Special responsibilities	Chair Remuneration Nomination and Performance Committee, Fundraising Committee

DIRECTORS' REPORT

Information on directors (Continued)

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	Chair Fundraising Committee, Risk Committee
Erica Halliday	Director
Qualifications	BAgEc, GAICD, 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 at the University of Sydney and Beef Production and Marketing on scholarship at The University of Illinois, Erica worked with Resource Consultancy Services to facilitate 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 and was Chairman of Angus Australia's NSW State Committee. Her current appointments include Elected President Angus Australia and Chairman of World Angus Forum Committee. Erica is a sought-after guest speaker and is a passionate advocate for both women in agriculture and the long-term sustainability of the family farm.
Special responsibilities	Finance Investment and Audit Committee, Risk Committee

DIRECTORS' REPORT

Information on directors (Continued)

Airlie Landale	Director
Qualifications	BComm/BA(PolSc), MFRE
Experience	Airlie is the founder 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.
Special responsibilities	Fundraising Committee, Remuneration, Nomination and Performance Committee

Meetings of directors

Directors	Directors' meetings		Finance, Investment & Audit committee meetings		Risk committee meetings		Remuneration, Nomination & Performance committee meetings		Fundraising 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	Number eligible to attend	Number attended
Alexander Hutton	8	8	9	7	3	3	-	-	-	-
Ben Pevreall	8	7	9	6	-	-	4	4	-	-
Trent Thorne	8	6	-	-	3	3	4	2	-	-
Barrie Adams	8	8	9	9	-	-	-	-	4	3
Sarah Hunter	8	7	-	-	-	-	4	4	4	3
Andrew Hall	8	6	-	-	3	2	-	-	4	4
Airlie Landale	8	8	-	-	-	-	4	4	4	4
Erica Halliday	8	7	9	9	3	3	-	-	-	-

Members guarantee

The group is incorporated under the *Corporations Act 2001* and is a group limited by guarantee. If the group 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 group. At 30 June 2023 the number of members was 8. The combined total amount that members of the group are liable to contribute if the group is wound up is $80.

DIRECTORS' REPORT

Indemnification of officers

During or since the end of the year, the group 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 group.

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

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 group.

Auditor's independence declaration

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

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 has 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.

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

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

DIRECTORS' REPORT

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)
- Alexander Hutton
- Andrew Hall
- Erica Halliday

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:

- Sarah Hunter (Committee Chair)
- Ben Pevreall
- Trent Thorne
- Airlie Landale

Fundraising Committee

The Fundraising Committee assists 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.

The Fundraising Committee comprised the following members during the financial year.

- Andrew Hall (Committee Chair)
- Sarah Hunter
- Airlie Landale
- Barrie Adams

DIRECTORS' REPORT

Changes to Committee structure effective 1 July 2023 (after balance date)

Effective from 1 July 2023, the board subcommittee structure was amended as follows:

- The Investment Committee was established to continue oversight of investments previously undertaken by the Finance, Investment and Audit Committee (renamed accordingly to Finance and Audit Committee);
- The Fundraising Committee ceased.

Signed on behalf of the board of directors.

Director: ______________________

Alexander Hutton

Dated this 25 day of October. 2023

PITCHER PARTNERS

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The Directors
Rural Aid Ltd
70 Station Road
Indooroopilly QLD 4068

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2023, 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)*.

This declaration is in respect of Rural Aid Ltd and the entities it controlled during the year.

Pitcher Partners
PITCHER PARTNERS

J. Evans
JASON EVANS
Partner

Brisbane, Queensland
25 October 2023

Brisbane Sydney Newcastle Melbourne Adelaide Perth

bakertilly NETWORK MEMBER

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NIGEL FISCHER, MARK NICHOLSON, PETER CAMENZULI | JASON EVANS, KYLIE LAMPRECHT, NORMAN THURECHT | BRETT HEADRICK, WARWICK FACE, COLE WILKINSON | SIMON CHUN, JEREMY JONES, TOM SPLATT | JAMES FIELD, DANIEL COLWELL, ROBYN COOPER | FELICITY CRIMSTON, CHERYL MASON, KIERAN WALLIS | MURRAY GRAHAM, ANDREW ROBIN, KAREN LEVINE | EDWARD FLETCHER, ROBERT HUGHES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Revenue and other income			
Revenue	3	**7,911,622**	8,678,663
Interest income from financial instruments	4	**267,042**	995,957
Other income	4	**767,293**	2,717
		8,945,957	9,677,337
Less: expenses			
Direct program costs		**(4,114,923)**	(5,626,718)
Administration costs		**(3,163,995)**	(3,088,081)
Fundraising costs		**(2,405,518)**	(2,252,104)
Borrowing costs	5	**(59,922)**	(13,141)
Occupancy expenses		-	(37,148)
Loss on fair value of investments		-	(1,433,670)
Other expenses		**(750,065)**	(764,651)
		(10,494,423)	(13,215,513)
Operating deficit for the year		**(1,548,466)**	(3,538,176)
Other comprehensive income for the year		-	-
Total comprehensive income		**(1,548,466)**	(3,538,176)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 $	2022 $
Current assets			
Cash and cash equivalents	7	**4,134,921**	5,934,960
Receivables	8	**683,061**	450,636
Inventories		-	3,550
Other assets	10	**192,747**	278,976
Total current assets		**5,010,729**	6,668,122
Non-current assets			
Financial assets	9	**8,358,048**	8,141,685
Property, plant and equipment	11	**220,710**	338,701
Intangible assets	12	**9,350**	683
Right-of-use assets	13	**842,986**	1,023,977
Other assets	10	**113,685**	113,685
Total non-current assets		**9,544,779**	9,618,731
Total assets		**14,555,508**	16,286,853
Current liabilities			
Payables	14	**607,130**	666,276
Lease liabilities	13	**203,818**	181,967
Provisions	15	**219,634**	217,840
Contract liabilities	16	**577,209**	588,886
Total current liabilities		**1,607,791**	1,654,969
Non-current liabilities			
Lease liabilities	13	**672,557**	838,485
Provisions	15	**66,488**	36,261
Total non-current liabilities		**739,045**	874,746
Total liabilities		**2,346,836**	2,529,715
Net assets		**12,208,672**	13,757,138
Equity			
Accumulated surplus		**12,208,672**	13,757,138
Total equity		**12,208,672**	13,757,138

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated surplus $	Total equity $
Consolidated		
Balance as at 1 July 2021	17,295,314	17,295,314
Operating deficit for the year	(3,538,176)	(3,538,176)
Total comprehensive income for the year	(3,538,176)	(3,538,176)
Balance as at 30 June 2022	13,757,138	13,757,138
Balance as at 1 July 2022	**13,757,138**	**13,757,138**
Operating deficit for the year	**(1,548,466)**	**(1,548,466)**
Total comprehensive income for the year	**(1,548,466)**	**(1,548,466)**
Balance as at 30 June 2023	**12,208,672**	**12,208,672**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 $
Cash flow from operating activities			
Receipts from donations, bequests and raffles		**7,784,062**	8,784,563
Payments to suppliers and employees		**(10,506,770)**	(11,813,016)
Interest received		**267,042**	995,957
Finance costs		**(59,922)**	(13,141)
Government subsidies and grants		**360,478**	290,123
Net cash used in operating activities		**(2,155,110)**	(1,755,514)
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		**21,591**	121,419
Payment for property, plant and equipment		**(22,570)**	(72,827)
Payment for investment in other corporations		**-**	(2,760,000)
Net proceeds / (payment) for other financial assets		**550,930**	2,284,600
Payment for rental deposits		**-**	(113,685)
Net cash provided by / (used in) investing activities		**549,951**	(540,493)
Cash flow from financing activities			
Principal portion of lease payments		**(194,880)**	(183,246)
Net cash used in financing activities		**(194,880)**	(183,246)
Reconciliation of cash			
Cash at beginning of the financial year		**5,934,960**	8,414,213
Net increase / (decrease) in cash held		**(1,800,039)**	(2,479,253)
Cash at end of financial year	21(a)	**4,134,921**	5,934,960

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 - Simplified Disclosures, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

The financial report covers Rural Aid Ltd and its consolidated entities. 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 at the date of the directors' report.

The following are the significant accounting policies adopted by the group 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.

Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the group's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the group and are de-recognised from the date that control ceases.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue recognition

The group 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 group expects to be entitled in exchange for the goods or services.

Revenue from the sale of goods

Revenue from the sale of goods 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 which is deeemed to be when the cash is received.

Revenue from sponsorship and government subsidies and grants

Sponsorship and government subsidies and grants is 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.

Where no funding agreements are in place or no conditions are attached, the contribution, sponsorship or government subsidy and grant will be recognised in the statement of profit or loss upon receipt of the funding.

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

The parent of the group is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*, however both of the parent's subsidiaries, Our Farm Gate Pty Ltd and Rural Transition Services Pty Ltd, are for profit entities which are not exempt from income tax.

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Income tax (Continued)

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(e) Cash and cash equivalents

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

(f) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the group 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 group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) 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 group'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 group 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 group are subsequently measured at amortised cost.

Trade and other receivables

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

Consistent with both the group'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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (Continued)

Long-term equity instruments

Long-term equity instruments comprise ordinary shares in listed entities that are not held for trading. On initial recognition, investments identified by the group as long-term equity instruments are irrevocably designated (and measured) at fair value through other comprehensive income. This election has been made as the directors' believe that to otherwise recognise changes in the fair value of these investments in profit or loss would be inconsistent with the objective of holding the investments for the long term.

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 group 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 group 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.

The group 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 group 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 group 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 group to have a strong financial position and no history of past due amounts from previous transactions with the group.

The group 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 group determines expected credit losses using a provision matrix based on the group'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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (Continued)

The group 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 group'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 group 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 group'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 group'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:

(a) significant financial difficulty of the issuer or the borrower;

(b) breach of contract;

(c) 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

(d) 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 group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the group. Recoveries, if any, are recognised in profit or loss.

(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.

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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment (Continued)

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 consolidated 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 consolidated statement of financial position if the group 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 consolidated statement of financial position.

(iii) Retirement benefit obligations

Defined contribution superannuation plan

The group 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 group'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 consolidated statement of financial position.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Provisions

Provisions are recognised when the group 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 group 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 group, and an estimate of costs to be incurred by the group 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 group'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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated 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.

(l) Comparatives

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

NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the group's accounting policies, management makes various judgements that can significantly affect the amounts recognised in the financial statements. In addition, the determination of carrying amounts of some assets and liabilities require estimation of the effects of uncertain future events. Outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amounts of those assets and liabilities affected by the assumption.

The following outlines the major judgements made by management in applying the group's accounting policies and/or the major sources of estimation uncertainty, that have the most significant effect on the amounts recognised in the financial statements and/or have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

Fair value of unlisted investments

The fair value of the shares in other corporations is determined by multiplying the percentage of shares held by the latest business valuation or capital raise. The business valuation is determined by applying a revenue multiple to the most recent financial year result. The movement in the fair value of the investment is accounted for through other comprehensive income.

Investments in equity instruments where the fair value cannot be measured reliably are carried at cost.

RURAL (aid) AUSTRALIA
Rural Aid
LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023 $	2022 $
NOTE 3: REVENUE FROM CONTRACTS WITH CUSTOMERS		
Sponsorship	**19,500**	32,045
Donations	**7,531,644**	8,356,495
Government Subsidies and Grants	**360,478**	290,123
	7,911,622	8,678,663
Disaggregation of donation revenue received		
- Corporate donations	**2,788,065**	3,734,054
- Donations and gifts	**4,705,661**	4,438,443
- In-kind revenue	**37,918**	183,998
	7,531,644	8,356,495

	2023 $	2022 $
NOTE 4: OTHER INCOME		
Gain on fair value of investments	**767,293**	-
Profit on sale of property, plant and equipment	**-**	2,717
	767,293	2,717

NOTE 5: OPERATING PROFIT

Profit before income tax has been determined after:

	2023 $	2022 $
Net gain on disposal of non-current assets:		
- Profit/(loss) on sale of property, plant and equipment	**(3,772)**	2,717
Expenses by nature		
Finance costs	**59,922**	13,141
Depreciation and amortisation	**338,325**	331,586
Inventory write off	**725**	4,482
Employee benefits	**4,679,665**	4,835,512
(Gain)/loss on fair value of financial assets	**(767,293)**	1,433,670

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023 $	2022 $

NOTE 6: INCOME TAX

(a) Components of tax expense

	2023 $	2022 $
Current tax	-	-
Deferred tax	-	-
	-	-

(b) Income tax reconciliation

The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:

	2023 $	2022 $
Prima facie income tax payable on profit before income tax at 25.0% (2022: 0.0%)	(387,117)	-
Add tax effect of:		
- Tax losses not recognised	3,424	-
	3,424	-
Less tax effect of:		
- Results of tax exempt entity	(383,693)	-
	(383,693)	-
Income tax expense attributable to profit	-	-

Although the parent entity of the group, Rural Aid Ltd, is exempt from income tax under Dividsion 50 of the *Income Tax Assessment Act 1997*, however both of the parent's subsidiaries, Our Farm Gate Pty Ltd and Rural Transition Services Pty Ltd, are taxable entities. The group is therefore liable for tax on the profits of the subsidaries. The carried forward tax losses not recognised is $3,424 (2022: nil).

(c) Deferred tax

Deferred tax relates to the following:

	2023 $	2022 $
The balance comprises:		
Tax losses carried forward	3,424	-
Deferred tax assets not recognised	(3,424)	-
The balance comprises:		
Net deferred tax liabilities	-	-

NOTE 7: CASH AND CASH EQUIVALENTS

	2023 $	2022 $
Cash at bank	2,136,261	2,430,737
Cash on deposit	1,998,660	3,504,223
	4,134,921	5,934,960

Rural Aid LIMITED
ABN: 29 605 783 597

	2023 $	2022 $
NOTE 8: RECEIVABLES		
CURRENT		
Trade receivables	**178,303**	37,768
Reimbursement right asset	**21,331**	15,279
GST input credits	**93,105**	140,253
Other receivables	**390,322**	257,336
	683,061	450,636

NOTE 9: FINANCIAL ASSETS

	2023 $	2022 $
NON CURRENT		
Financial assets at fair value through profit or loss		
Investment portfolio	**5,598,048**	5,381,685
Financial assets at fair value through other comprehensive income		
Shares in other corporations	**2,760,000**	2,760,000
	8,358,048	8,141,685

All financial assets at fair value through profit or loss are held for trading. The fair value of the shares in other corporations is determined by multiplying the percentage of shares held by the latest business valuation or capital raise. The business valuation is determined by applying a 5 times revenue multiple to the most recent financial year result. The movement in the fair value of the investment is accounted for through other comprehensive income.

Net change in fair value of financial assets recognised in other comprehensive income

The net change in fair value recognised in other comprehensive income for the financial year in relation to financial assets designated at fair value through other comprehensive income was $NIL (2022: $NIL).

NOTE 10: OTHER ASSETS

	2023 $	2022 $
CURRENT		
Prepayments	**192,747**	210,113
Other current assets	**-**	68,863
	192,747	278,976
NON CURRENT		
Other non-current assets	**113,685**	113,685
	113,685	113,685

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023 $	2022 $
NOTE 11: PROPERTY, PLANT AND EQUIPMENT		
Leasehold improvements		
At cost	1,364	1,364
Accumulated depreciation	(246)	(19)
	1,118	1,345
Plant and equipment		
Plant and equipment at cost	43,561	42,352
Accumulated depreciation	(32,363)	(25,601)
	11,198	16,751
Motor vehicles at cost	403,333	464,562
Accumulated depreciation	(219,081)	(197,699)
	184,252	266,863
Office equipment at cost	112,086	104,023
Accumulated depreciation	(88,549)	(51,259)
	23,537	52,764
Furniture, fixtures and fittings at cost	3,351	3,351
Accumulated depreciation	(2,746)	(2,373)
	605	978
Total plant and equipment	219,592	337,356
Total property, plant and equipment	220,710	338,701

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

	2023 $	2022 $
Leasehold improvements		
Opening carrying amount	1,345	27,684
Additions	-	1,364
Disposals	-	(3,857)
Depreciation expense	(227)	(23,846)
Closing carrying amount	1,118	1,345
Plant and equipment		
Opening carrying amount	16,751	26,730
Additions	2,091	5,525
Disposals	-	(6,695)
Depreciation expense	(7,644)	(8,809)
Closing carrying amount	11,198	16,751

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	$	$

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations (Continued)

	2023	2022
Motor vehicles		
Opening carrying amount	**266,863**	411,502
Additions	**-**	24,990
Disposals	**(25,364)**	(97,706)
Depreciation expense	**(57,247)**	(71,923)
Closing carrying amount	**184,252**	266,863
Office equipment		
Opening carrying amount	**52,764**	66,789
Additions	**9,153**	40,948
Disposals	**-**	(5,038)
Depreciation expense	**(38,380)**	(49,935)
Closing carrying amount	**23,537**	52,764
Furniture, fixtures and fittings		
Opening carrying amount	**978**	8,802
Disposals	**-**	(5,405)
Depreciation expense	**(373)**	(2,419)
Closing carrying amount	**605**	978

NOTE 12: INTANGIBLE ASSETS

	2023	2022
Trademarks and licences at cost	**67,681**	56,355
Accumulated amortisation and impairment	**(58,331)**	(55,672)
	9,350	683

Reconciliations

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

	2023	2022
Trademarks and licences at cost		
Opening balance	**683**	4,002
Additions	**11,326**	-
Amortisation expense	**(2,659)**	(3,319)
Closing balance	**9,350**	683

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	$	$

NOTE 13: RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

	2023 $	2022 $
Buildings		
Premises under lease	**809,945**	768,588
Accumulated depreciation	**(139,179)**	(10,519)
	670,766	758,069
Motor vehicles		
Motor vehicles under lease	**298,077**	298,077
Accumulated depreciation	**(138,184)**	(38,916)
	159,893	259,161
Office equipment		
Office equipment under lease	**12,753**	19,125
Accumulated depreciation	**(426)**	(12,378)
	12,327	6,747
Total carrying amount of right-of-use assets	**842,986**	1,023,977

Reconciliations

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

	2023 $	2022 $
Buildings		
Opening carrying amount	**758,069**	117,774
Additions	**41,357**	768,588
Depreciation	**(128,660)**	(128,293)
Closing carrying amount	**670,766**	758,069
Motor vehicles		
Opening carrying amount	**259,161**	-
Additions	**-**	298,077
Depreciation	**(99,268)**	(38,916)
Closing carrying amount	**159,893**	259,161
Office equipment		
Opening carrying amount	**6,747**	10,873
Additions	**12,753**	-
Depreciation	**(3,866)**	(4,126)
Disposal	**(3,307)**	-
Closing carrying amount	**12,327**	6,747

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 13: RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(b) Lease liabilities

	2023 $	2022 $
CURRENT		
Buildings	**100,255**	82,148
Office equipment	**1,922**	4,213
Motor vehicles	**101,641**	95,606
	203,818	181,967
NON CURRENT		
Buildings	**594,912**	667,257
Office equipment	**10,226**	2,169
Motor vehicles	**67,419**	169,059
	672,557	838,485
Total carrying amount of lease liabilities	**876,375**	1,020,452

(c) Future lease payments

	2023 $	2022 $
- Not later than 1 year	**267,234**	241,346
- Later than 1 year and not later than 5 years	**755,030**	803,648
- Later than 5 years	**-**	158,054
Total future lease payments at the reporting date	**1,022,264**	1,203,048

The building lease is for a term of 6 years, with an effective interest rate of 6.52%. The lease ends in May 2028.

The lease of motor vehicles is for an average term of 3 years, with an average effective interest rate of 6.14%. The final lease ends in March 2025.

The office equipment lease is for a term of 5 years, with an effective interest rate of 8.15%. The lease ends in April 2028.

NOTE 14: PAYABLES

	2023 $	2022 $
CURRENT		
Unsecured liabilities		
Trade creditors	**132,861**	224,643
Sundry creditors and accruals	**474,269**	441,633
	607,130	666,276

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023 $	2022 $
NOTE 15: PROVISIONS		
CURRENT		
Annual leave	**219,634**	217,840
NON CURRENT		
Long service leave	**66,488**	36,261

NOTE 16: CONTRACT LIABILITIES

	2023 $	2022 $
CURRENT		
Contract liabilities - unearned revenue	**577,209**	588,886

A contract liability represents the group's obligation to transfer services to the customer for which the group has received consideration (or an amount of consideration is due) from the customer. A contract liability arises in relation to funding when consideration is received in advance of services being performed. Amounts recorded as contract liabilities are subsequently recognised as revenue when the group provides the services. Services are generally provided by the group in accordance with the terms of the relevant agreement.

NOTE 17: MEMBERS' GUARANTEE

The group is incorporated under the *Corporations Act 2001* and is a group limited by guarantee. If the group 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 group. At 30 June 2023 the number of members was 8. The combined total amount that members of the group are liable to contribute if the group is wound up is $80.

NOTE 18: INTERESTS IN SUBSIDIARIES

The following are the group's significant subsidiaries:

	Ownership interest held by the group	
	2023 **%**	**2022** **%**
Our Farm Gate Pty Ltd	**100**	-
Rural Transition Services Pty Ltd	**100**	-

Both Our Farm Gate Pty Ltd and Rural Transition Services Pty Ltd were registered as for profit entities during the year, with Rural Aid Ltd owning 100% of the issued capital.

NOTE 19: KEY MANAGEMENT PERSONNEL COMPENSATION

	2023 $	2022 $
Total compensation paid or payable to key management personnel	**1,352,979**	1,249,942

During the current year, director fees were paid and have been included in the above disclosure of key management personnel.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 20: RELATED PARTY TRANSACTIONS

(a) Transactions with other related parties

IT security services	-	85,800

A Director of Rural Aid was also a Director of a supplier of IT security services to Rural Aid during the previous financial year. Rural Aid's relationship with the supplier commenced prior to the director being appointed to the Rural Aid Board. The Director resigned from the IT security service provider on 11 January 2022, resulting in a related party relationship no longer existing. The above disclosure reflects the payments made to the supplier up to the point of the Director resigning. The Director did not participate in Board decision making with regards to this supplier.

(b) Transactions with companies invested in

Multikraft Probiotics Australia Pty Ltd - in-kind product support received	**3,418**	111,000
	3,418	111,000

During the prior year, Rural Aid invested in Multikraft Probiotics Australia Pty Ltd. As part of this arrangement, Rural Aid was able to appoint a Director to the Board of Multikraft. The elected Director was appointed to the Board of Multikraft on 9 May 2022.

In-kind product support to the value of $3,418 was received from Multikraft during the period (2022: $111,000).

NOTE 21: 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 as follows:

Cash at bank	**2,136,261**	2,430,737
At call deposits with financial institutions	**1,998,660**	3,504,223
	4,134,921	5,934,960

NOTE 22: CONTINGENT LIABILITIES

No contingent liabilities exist at balance date (2022: $nil).

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

	2023 $	2022 $
NOTE 23: REMUNERATION OF AUDITORS		
Remuneration of auditors for:		
Pitcher Partners (Brisbane)		
Audit and assurance services		
- Audit of Rural Aid Ltd	**41,000**	37,500
Other engagements		
- Grant acquittal audit	**3,000**	-
	44,000	37,500

NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2023 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2023, of the group, or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 30 June 2023, of the group.

NOTE 25: ENTITY DETAILS

The registered office of the group is:

Rural Aid Ltd
70 Station Road
Indooroopilly, QLD, 4068

DIRECTORS' DECLARATION

The directors of the company declare that:

1. In the directors' opinion, the financial statements and notes thereto, as set out on pages 12 - 33, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

   (a) complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*; and

   (b) giving a true and fair view of the financial position as at 30 June 2023 and performance for the year ended on that date of the company.

2. In the directors opinion, there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2022*.

Director: A Hutton.

Alexander Hutton

Dated this 25 day of October 2023

Pitcher Partners

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Rural Aid Ltd ("the Registered Entity") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the directors' 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:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 (including Independence Standards)* "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 directors' report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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.

Brisbane Sydney Newcastle Melbourne Adelaide Perth

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Responsibilities of Members and Those Charged with Governance for the Financial Report

The members 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 Group 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, those charged with governance are responsible for assessing the Group'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 management either intends to liquidate the Group 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 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 Group'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 entities' 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 Group'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 Group 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.

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- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

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J. Evans

JASON EVANS
Partner

Brisbane, Queensland
25 October 2023

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