

RURAL AID LIMITED

ABN: 29 605 783 597

**Financial Report For The Year Ended
30 June 2016**

RURAL AID LIMITED
ABN: 29 605 783 597
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE YEAR ENDED 30 JUNE 2016

	Note	2016
		\$
Revenue	2	92,809
Other income	2	836,240
Employee provisions expense		(40,174)
Depreciation and amortisation expense	3	(12,255)
Program expenses		(722,976)
Administration expenses		(22,484)
Sundry expenses		(3,569)
Current year surplus before income tax		<u>127,591</u>
Tax expense		-
Net current year surplus		<u><u>127,591</u></u>
Other comprehensive income for the year, net of tax		-
Total comprehensive income for the year		<u><u>127,591</u></u>

The accompanying notes form part of these financial statements.

RURAL AID LIMITED
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Note	Retained Surplus \$	Total \$
Balance at 1 July 2015		-	-
Result for the year		127,591	127,591
Balance at 30 June 2016		127,591	127,591

The accompanying notes form part of these financial statements.

RURAL AID LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The financial statements were authorised for issue on 25 November 2016 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

Rural Aid Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

Accounting Policies

(a) Revenue

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Company receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

(b) Property, Plant and Equipment

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

Plant and Equipment

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(e) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives

(f) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

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

(g) Cash and Cash Equivalents

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

RURAL AID LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 2 Revenue and Other Income

	2016
Revenue	\$
Sales Revenue	
— Provision of services	16,836
— Sale of Goods	<u>75,973</u>
Total revenue	<u><u>92,809</u></u>
Other income	
— Donations received	720,480
— Operating grants	<u>115,760</u>
Total other income	<u><u>836,240</u></u>
Total revenue and other income	<u><u><u>929,049</u></u></u>

Note 3 Profit for the year

	2016
	\$
(a) Expenses	
Depreciation and amortisation	9,918
Rental expense on operating leases:	
— minimum lease payments	22,985
Audit fees	
— audit services	2,500
— taxation services	<u>-</u>
Total Audit Remuneration	<u><u>2,500</u></u>

Note 4 Cash and Cash Equivalents

	2016
	\$
CURRENT	
Cash at bank	<u><u>11,460</u></u>

Note 5 Trade and Other Receivables

	2016
	\$
CURRENT	
GST receivable	<u><u>59,817</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 8 Contingent Liabilities and Contingent Assets

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2016.

Note 9 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 10 Cash Flow Information

	2016
	\$
Reconciliation of Cash Flows from Operating Activities with	
Net Current Year Surplus	
Net current year surplus	127,591
Non-cash flows:	
Depreciation and amortisation expense	12,255
Changes in assets and liabilities:	
(Increase)/decrease in accounts receivable and other debtors	(59,817)
Increase/(decrease) in accounts payable and other payables	26,408
	<u>106,437</u>

Note 11 Entity Details

The registered office of the entity is:

Rural Aid Limited
18 Glenna Place
Parkinson QLD 4115

The principal place of business is:

Rural Aid Limited
18 Glenna Place
Parkinson QLD 4115

Note 12 Members' Guarantee

The entity is incorporated under the Australian Charities and Not-for-profits Commission Act 2012 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the entity. At 30 June 2016 the number of members was 5.



INDEPENDENT AUDIT SERVICES

www.independentauditservices.com.au
mail@independentauditservices.com.au

T 07 3906 2882 F 07 3906 2890

PO Box 115
Morningside QLD 4170

RURAL AID LIMITED
ABN 29 605 783 597

Independent Audit Report to the members of RAL

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Rural Aid Limited (the Entity), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and Directors' Declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2016 and of its financial performance for the year ended; and
- (ii) complying with Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



INDEPENDENT AUDIT SERVICES

www.independentauditservices.com.au
mail@independentauditservices.com.au

T 07 3906 2882 F 07 3906 2890

PO Box 115
Morningside QLD 4170

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Rural Aid Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Rural Aid Limited.

Independent Audit Services

A handwritten signature in blue ink, appearing to read 'J Thum', is written over a light blue horizontal line.

Jeremiah Thum

Director

Date: 24 January 2017

Brisbane, Queensland