



# Supporting Rural Australia



ANNUAL **REPORT** 2018



# Table of Contents

## Overview

- 3** How to Contact Us
- 6** Background
- 7** A Catalyst for Action

## Governance

- 10** Chairman's Report
- 11** CEO's Report

## Objectives & Activities

- 15** Programs & Support Initiatives
- 16** Social Strategies

## Financials

- 18** Financial Statements

## Other Important Information

- 45** How you can help

# VISION

That Australian citizens in rural and remote communities have the same access to services and opportunities as urban Australia

## Rural Aid Limited

ABN 29 605 783 597  
3 /8 Colebard Street East | Acacia Ridge Queensland 4110  
PO Box 1342 | Sunnybank Hills Queensland 4109  
Telephone 1300 327 624  
Email: [contact@ruralaid.org.au](mailto:contact@ruralaid.org.au) | Website: [www.ruralaid.org.au](http://www.ruralaid.org.au)

# MISSION

To support and improve  
the viability of rural communities





## A catalyst for action

In June 2013, Queensland and New South Wales were gripped by drought. As the year wore on conditions worsened, the live export trade to Indonesia was stopped overnight, Australia's farming families were thrown to the wolves.

The Buy a Bale campaign was created as a call to action, 'help us buy bales to support our farmers and we'll get it to them'. The call was responded to in such a way as to embed the term Buy a Bale in much the same way as Coke or McDonalds, it has become recognised as the people who move hay to help farmers.

The campaign was and continues to be a uniter of people with simple visuals and a level of simple understanding. We continue to receive donations towards

hay runs and financial support for farmers on a daily basis. The simplicity of hay on the back of a truck means anybody can understand the concept of buying a bale of hay.

The campaign has been successful on many fronts. It has allowed the hay growers to keep their cash flow as we have purchased almost all the hay delivered, have contracted private trucking companies to carry the fodder and finally have relieved the farmers of having to pay for the hay.

Moving forward the issues surrounding rural Australia are far greater than fodder in drought and these are the issues that spur Rural Aid on from its point of inception

## Background

Rural Aid is a Queensland based charity that was established in June 2015 to assist people in rural communities suffering financial, emotional, environmental hardship. Founded off the back of the very successful Buy a Bale campaign, Rural Aid is now expanding into other sectors of rural support and assistance.

We operate in communities that are supported economically through tourism and agriculture, both business categories reliant upon favourable weather conditions to maximise economic output.

Our operation, whilst based in Brisbane, has extensive connections across rural communities that feed our information channels to best develop and provide assistance programs to our communities.

Operationally our aim is to develop area coordinators across Australia in communities with whom we will work with and through to other service providers, local government and community leaders to deliver the best solutions to rural issues.

Rural Australia encompasses over 90% of Australia's land mass and covers 10 million of Australia's 23 million people. The vast majority of these people have access to less services and a lower standard of living than the poorest who live in our major cities. The lack of basic levels of care and service provision means rural Australia is significantly disadvantaged. Internet and dental services are just two examples of this.



# GOALS

**To minimise economic and emotional hardship  
for farmers and communities  
in times of natural disasters**

**To increase the economic viability of rural  
communities by 10%, through tourism and  
educational initiatives by the year 2025**

**To develop and nurture  
skills and qualifications  
in rural communities**



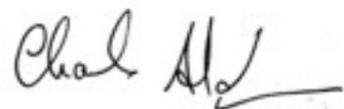
# Chairman's Report

This financial year has been the most intense and demanding of the charity's existence. Demand for services due to the extensive drought in NSW pushed every program, our resources and the capacity of the charity to new heights. Importantly the charity, its management, and staff, service providers, suppliers, local community groups and others have provided outstanding support to thousands of people and hundreds of communities suffering a one in one-hundred-year event.

This year Rural Aid has been propelled into a position of leadership in providing support to rural communities suffering natural disaster. Best known in the past for Buy a Bale, this year Rural Aid, the charity, is now recognised by state and national media and other as the provider of the Buy a Bale program, not being Buy a Bale. As our reputation has grown, this new positioning has allowed other programs within Rural Aid's stable of support initiatives to gain their own exposure. This has positioned Rural Aid as a diverse, well-resourced, outcomes orientated organisation.

Whilst the charity had provided support to NSW farmers since being formed in 2015, the expansion of the drought from Western and North Central NSW into the Hunter Valley and other non-traditional drought affected areas gave rise to a massive increase in demand. Demand for hay, financial assistance and non perishable items grew daily. Access to a mental health program for farmers to help manage the effects of drought became paramount and our mental health counselling program, developed between January and June, was finally launched on July 1 2018 with a team of 4 in the Hunter Valley. Significantly the charity has been able to attract significant corporate partners, many of whom were focused on the Hunter Valley. As the financial year ended, corporate donations grew significantly with a focus on NSW and QLD as all mainstream media outlets became focused on the drought as NSW became 100% drought declared in June.

This year has seen thousands of farmers register for assistance, hay deliveries reach levels never before achieved and an unprecedented number of individual Australians supporting our work. The level of professional support provided by our Team and Board, to those in Rural Australia suffering the impact of drought, is a credit to all involved – well done team!!!



**Charles Alder**  
CHAIRMAN



# CEO's Report

It has been a momentous year for our charity with every single element of our charity's operations growing by 10 fold or more. As the drought took hold in NSW, requests for assistance increased markedly. Farmers registered by the hundreds each week.

We fielded calls from state and federal government about how we could help and smaller non profits requested help from us with item collection and freight assistance. In response we began mobilising support and modifying or developing programs to meet the increased demand.

It was in January 2018, when we approached Hunter Valley media about their drought affected farmers with an offer of hay through our Buy a Bale program, that the momentum shifted. 5000 bales of hay were delivered from southern NSW to the Hunter over 4 months highlighting our ability to meet this new level of support. Whilst hay was reasonably plentiful in early 2018 it became harder to source as the months went on. Fortunately, longstanding suppliers helped out allowing our support to continue.

As demand increased it wasn't just animals that needed assistance. Assistance by way of food and medical care, particularly around depression and anxiety, rose significantly. Many farmers in NSW, who hadn't experienced drought of this scale personally, were struggling. In February we began developing a mental health counselling team. We began recruiting nationally certified counsellors and teaching them about our service methods and expansive on farm assistance programs. We launched the service on June 30. We are committed to providing this face to face counselling program across Australia for the long term.

On farm counselling is the most effective because it allows us to connect and assist in a way that no other form of support can. Our counsellors, with their knowledge and experience in rural areas and agriculture, are pivotal to increasing resilience in the bush amongst those who need our help.

Fundraising also took off in the second half of the year. Hundreds of individuals called or emailed us asking for donation barrels or merchandise to sell or use at an event they were planning. Hundreds of people created their own supporter pages on our Buy a Bale website and began fundraising for truckloads of hay for farmers in their district. Our phones rang off the hook from 6am till 6pm so we had to employ and train new staff just to keep up with demand. Our Black Tie and Boots Balls successfully raised money to fund our counsellor programs and the numbers of events we were asked to attend increased to the point where members of our team were away for weeks at a time.

As demand grew for our services we had to grow to meet that demand. Operationally our teams in hay and water, in corporate and donor relations, in admin and finance and our counsellors have all grown to support rural Australia. Unlike other disasters, such as a bushfire or cyclone that has a relatively small affected zone, this drought covered 100% of NSW and 60% of QLD.

We have also continued our Farm Army Volunteer program this year and expanded our Farm Rescue program to include corporate participation. Our volunteers have committed tens of thousands of hours to supporting farmers and rural communities this and performed some amazing work. Like all charities we value the knowledge and funding support of corporate Australia.

It provides us with the opportunity to take corporate teams onto farms and help educate their teams about the challenges our farmers face in their day to day business whilst providing a charity experience day unlike any other. These experience days are important to us long term because they provide an opportunity to help bridge the city / country divide and help educate city people who may not have had connections to the land in their families and have little knowledge of farming businesses.

Access to educational resources during drought has been a challenge for many bush families. Our Gift of Music program this year has been boosted by a team passionate about music but also well connected within music circles. Moving forward, it is hoped thousands of instruments will be collected from donations or purchased with cash donations and gifted to country schools along with other vital educational resources.

This year we have enjoyed the support of many throughout Australia. In February Grant and Chezzi Denyer became ambassadors for Rural Aid and helped raise the profile of our work. Companies and influential Australians reached out and offered their assistance by providing services and helping us raise money. For all this help we are eternally grateful.

Rural Aid would not be where it is today without the support of the Australian community. As I write, demand for support continues to increase to new levels. Australians have embraced our programs and I expect this year to be bigger again than last year.

Finally, the work we do to support our farmers and rural communities is performed by a dedicated and amazing team of people in Brisbane and across Australia. Thank you to you all for the great work you do each and in many cases every day of the week.



*Charles Alder*  
**Charles Alder**  
 CEO



# Programs & Support Initiatives

Rural Aid provides a number of support programs for rural Australia. These programs provide a range of support services from provision of animal feed, cash handouts, holidays and mental health assistance, education assistance and technology.

These programs have their own websites and links are provided below.



### Buy a Bale

Provision of feed to support animal care  
[www.buyabale.com.au](http://www.buyabale.com.au)



### Farm Army

Provision of volunteers to help on farms or as part of Farm Rescue Tradies events  
[www.farmarmy.com.au](http://www.farmarmy.com.au)



### Farm Rescue

Taking of tradies with specific skill sets to rural areas where tradespeople aren't available or where communities can't afford to call them in  
[www.farmrescue.com.au](http://www.farmrescue.com.au)



### Under The Stars - Outback Experience

An educational program designed to allow farmers to share their properties with city people and their children and give kids particularly a first hand farming experience  
[www.underthestars.com.au](http://www.underthestars.com.au)



### Gift of Music

Placing pre-loved (and new) musical instruments in the hands of disadvantaged children and youth in rural and remote Australia to build self-esteem and self-confidence, develop a skill and a love that may last a lifetime  
[www.giftofmusic.org.au](http://www.giftofmusic.org.au)



### Rural Aid Counselling

To help assist and coordinate assistance to rural communities we are developing a team of volunteer co-ordinators who will help deliver our support services and work with other community organisations  
[www.ruralaid.org.au/counselling](http://www.ruralaid.org.au/counselling)





**Rural Aid Limited**

ABN: 29 605 783 597

**Financial Report**

FOR THE YEAR ENDED: 30 JUNE 2018

**Contents**

Directors' Report	20
Auditor's Independence Declaration	22
Statement of Profit or Loss and Other Comprehensive Income	23
Statement of Financial Position	24
Statement of Changes in Equity	25
Statement of Cash Flows	26
Notes to the Financial Statements	27
Responsible Persons' Declaration	40
Independent Audit Report	41



## Directors' Report 30 June 2018

The directors present their report on Rural Aid Limited for the financial year ended 30 June 2018.

### General information

#### Directors

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

Names	Position
Charles Alder	Director
Tracy Alder	Director
Sandra Lynch	Director
Mark Creswell	Director
Zelina Turner	Director

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

#### Principal activities

The principal activity of Rural Aid Limited during the financial year was to provide a holistic program to rural Australia through understanding the needs of the Australian primary producers and aim to lend a helping hand when times are tough.

No significant changes in the nature of the Company's activity occurred during the financial year.

#### Members' guarantee

Rural Aid Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 10 for members.

At 30 June 2018 the collective liability of members was \$ 50 (2017: \$ 50).

#### Operating results and review of operations for the year

##### Operating results

The surplus of the Company for the year amounted to \$ 758,581 (2017: Deficit of \$ 50,305).

##### Other items

##### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

##### Events after the reporting date

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

## Directors' Report 30 June 2018

### Other items

#### Other items

#### Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

#### Auditors independence declaration

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 3 of the financial report.

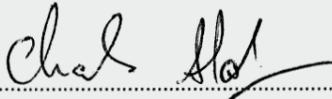
#### Future developments

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

#### Indemnification and insurance of officers and auditors

Indemnities have been given or insurance premiums were paid, during or since the end of the financial year, for any person who is or has been an officer of Rural Aid Limited. No insurance was paid or indemnification have been given to the auditor of the Company.

Signed in accordance with a resolution of the Board of Directors:

Director:   
Charles Alder

Dated this 27<sup>th</sup> day of March 2019



INDEPENDENT AUDIT SERVICES

[www.independentauditservices.com.au](http://www.independentauditservices.com.au)

T 07 3905 9430 M 0431 682 669

Level 1, Suite 1a  
33 Queen Street  
Brisbane QLD 4000

## Rural Aid Limited

ABN 29 605 783 597

### Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Rural Aid Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

#### INDEPENDENT AUDIT SERVICES Chartered Accountants

Jiahui Thum  
Director

Brisbane, QLD  
Date: 27<sup>th</sup> March 2019

Independent Audit Services Pty Ltd ABN 87 168 884 875  
Limited liability by a scheme approved under Professional Standards Legislation.  
Registered Authorised Audit Company No. 460755



Rural Aid Limited | ABN: 29 605 783 597  
Financial Report For The Year Ended: 30 June 2018

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
Revenue	4	42,939	57,530
Other income	4	2,199,588	893,698
Employee benefits expense	5	(511,606)	(354,744)
Depreciation and amortisation expense	5	(25,618)	(21,696)
Program Costs		(881,787)	(584,152)
Administration Costs		(65,896)	(40,941)
<b>Surplus/ (Deficit) before income tax</b>		<b>757,620</b>	<b>(50,305)</b>
Income tax expense		-	-
<b>Surplus/ (Deficit) for the year</b>		<b>757,620</b>	<b>(50,305)</b>
<b>Other comprehensive income, net of income tax</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
<b>Total comprehensive income (loss) for the year</b>		<b>757,620</b>	<b>(50,305)</b>

The accompanying notes form part of these financial statements.

**Statement of Financial Position**  
As At 30 June 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	680,646	50,495
Trade and other receivables	7	131,560	53,899
Inventories	8	28,395	4,794
Other assets	10	17,160	93
<b>TOTAL CURRENT ASSETS</b>		<b>857,761</b>	<b>109,281</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	217,558	82,795
<b>TOTAL NON-CURRENT ASSETS</b>		<b>217,558</b>	<b>82,795</b>
<b>TOTAL ASSETS</b>		<b>1,075,319</b>	<b>192,076</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	167,256	88,156
Employee benefits	12	69,853	25,871
<b>TOTAL CURRENT LIABILITIES</b>		<b>237,109</b>	<b>114,027</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	12	3,304	763
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,304</b>	<b>763</b>
<b>TOTAL LIABILITIES</b>		<b>240,413</b>	<b>114,790</b>
<b>NET ASSETS</b>		<b>834,906</b>	<b>77,286</b>
<b>EQUITY</b>			
Retained earnings		834,906	77,286
<b>TOTAL EQUITY</b>		<b>834,906</b>	<b>77,286</b>

The accompanying notes form part of these financial statements.

**Statement of Changes in Equity**  
For the Year Ended 30 June 2018

2018	Retained Earnings \$	Total \$
<b>Balance at 1 July 2017</b>	77,286	77,286
Surplus for the year	757,620	757,620
<b>Balance at 30 June 2018</b>	<b>834,906</b>	<b>834,906</b>
<b>2017</b>		
<b>Balance at 1 July 2016</b>	127,591	127,591
Deficit for the year	(50,305)	(50,305)
<b>Balance at 30 June 2017</b>	<b>77,286</b>	<b>77,286</b>

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
 For the Year Ended 30 June 2018

Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from donations, bequests and raffles	1,915,774	917,492
Payments to suppliers and employees	(1,417,234)	(886,622)
Interest paid	(2,906)	(4)
Commonwealth, State and Local Government Grants	294,898	29,907
Net cash provided by/(used in) operating activities	<u>790,532</u>	<u>60,773</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(160,381)	(21,738)
Net cash provided by/(used in) investing activities	<u>(160,381)</u>	<u>(21,738)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase/(decrease) in cash and cash equivalents held	630,151	39,035
Cash and cash equivalents at beginning of year	50,495	11,460
Cash and cash equivalents at end of financial year	6 <u>680,646</u>	<u>50,495</u>

The accompanying notes form part of these financial statements.

**Notes to the Financial Statements**  
 For the Year Ended 30 June 2018

The financial report covers Rural Aid Limited as an individual entity. Rural Aid Limited is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of Rural Aid Limited is Australian dollars.

The financial report was authorised for issue by those charged with governance on 27<sup>th</sup> March 2019.

Comparatives are consistent with prior years, unless otherwise stated.

**1 Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

**2 Summary of Significant Accounting Policies**

**(a) Income Tax**

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

**(b) Leases**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**(c) Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

**Sale of goods**

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.

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2018**

**2 Summary of Significant Accounting Policies**

**(c) Revenue and other income (Continued)**

**Grant revenue**

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company 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 Company 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.

Rural Aid Limited 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.

**Other income**

Other income is recognised on an accruals basis when the Company is entitled to it.

**(d) Goods and services tax (GST)**

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**(e) Property, plant and equipment**

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

**Plant and equipment**

Plant and equipment are measured using the cost model.

**Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2018**

**2 Summary of Significant Accounting Policies**

**(e) Property, plant and equipment (Continued)**

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	5% to 20%
Furniture, Fixtures and Fittings	5% to 50%
Motor Vehicles	20%
Office Equipment	7% to 50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

**(f) Financial instruments**

For comparative year

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

**Financial assets**

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (f) Financial instruments (Continued)

##### Financial assets

###### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

###### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the Company to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The Company has no such balance during the year.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

###### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (f) Financial instruments (Continued)

##### Financial assets

The Company has no such balance during the year.

###### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Company's available-for-sale financial assets comprise listed securities.

The Company has no such balance during the year.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

##### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

##### Impairment of Financial Assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

###### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (f) Financial instruments (Continued)

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

For current year

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

#### Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (f) Financial instruments (Continued)

#### Financial assets

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

#### Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

#### Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 2 Summary of Significant Accounting Policies

#### (f) Financial instruments (Continued)

##### Financial liabilities

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

##### Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

##### Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

#### (g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

#### (i) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

## Notes to the Financial Statements For the Year Ended 30 June 2018

### 3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

During the year, there is no indicator of impairment. Hence, no assessment is required.

#### Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

#### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

### 4 Revenue and Other Income

	2018 \$	2017 \$
Revenue from contracts with customers		
- sale of goods	42,939	57,530
<b>Total Revenue</b>	<b>42,939</b>	<b>57,530</b>
Other Income		
- donations	2,104,123	863,698
- grants	95,465	30,000
	<b>2,199,588</b>	<b>893,698</b>
<b>Total Revenue and Other Income</b>	<b>2,242,527</b>	<b>951,228</b>

**Notes to the Financial Statements**  
For the Year Ended 30 June 2018

**5 Result for the Year**

The result for the year includes the following specific expenses:

	2018	2017
	\$	\$
Other expenses:		
Depreciation expenses	25,618	21,696
Employee benefits expense	511,606	354,744
Rental expense on operating leases:		
- Minimum lease payments	54,545	73,993

**6 Cash and Cash Equivalents**

	2018	2017
	\$	\$
Cash at bank and in hand	680,646	50,495
	<b>680,646</b>	<b>50,495</b>

**7 Trade and Other Receivables**

	2018	2017
	\$	\$
CURRENT		
Trade receivables	31,361	73
	<b>31,361</b>	<b>73</b>
GST receivable	100,199	53,826
<b>Total current trade and other receivables</b>	<b>131,560</b>	<b>53,899</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

**8 Inventories**

	2018	2017
	\$	\$
CURRENT		
At cost:		
Finished goods	28,395	4,794
	<b>28,395</b>	<b>4,794</b>

**Notes to the Financial Statements**  
For the Year Ended 30 June 2018

**9 Property, plant and equipment**

	2018	2017
	\$	\$
Plant and equipment		
At cost	23,541	15,286
Accumulated depreciation	(7,552)	(4,166)
<b>Total plant and equipment</b>	<b>15,989</b>	<b>11,120</b>
Furniture, fixtures and fittings		
At cost	14,908	14,281
Accumulated depreciation	(7,124)	(4,597)
<b>Total furniture, fixtures and fittings</b>	<b>7,784</b>	<b>9,684</b>
Motor vehicles		
At cost	191,381	49,335
Accumulated depreciation	(24,301)	(13,024)
<b>Total motor vehicles</b>	<b>167,080</b>	<b>36,311</b>
Office equipment		
At cost	47,298	37,845
Accumulated depreciation	(20,593)	(12,165)
<b>Total office equipment</b>	<b>26,705</b>	<b>25,680</b>
<b>Total plant and equipment</b>	<b>217,558</b>	<b>82,795</b>
<b>Total property, plant and equipment</b>	<b>217,558</b>	<b>82,795</b>

**(a) Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2018</b>					
Balance at the beginning of year	11,120	9,684	36,311	25,680	82,795
Additions	8,255	627	142,046	9,453	160,381
Depreciation expenses	(3,386)	(2,527)	(11,277)	(8,428)	(25,618)
<b>Balance at the end of year</b>	<b>15,989</b>	<b>7,784</b>	<b>167,080</b>	<b>26,705</b>	<b>217,558</b>

**Notes to the Financial Statements**  
 For the Year Ended 30 June 2018

**10 Other Assets**

	2018	2017
	\$	\$
CURRENT		
Prepayments	17,160	93

**11 Trade and Other Payables**

	2018	2017
	\$	\$
Current		
Trade payables	43,726	8,953
Sundry payables and accrued expenses	123,530	79,203
	<u>167,256</u>	<u>88,156</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

**12 Employee Benefits**

	2018	2017
	\$	\$
Current liabilities		
Annual and sick leave	69,853	25,871
	<u>69,853</u>	<u>25,871</u>
Non-current liabilities		
Long service leave	3,304	763

**13 Members' Guarantee**

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstanding and obligations of the Company. At 30 June 2018 the number of members was 5 (2017: 5).

**14 Key Management Personnel Remuneration**

The total remuneration paid to key management personnel of the Company is \$ 110,000 (2017: \$ 110,000).

**15 Contingencies**

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2018 (30 June 2017: None).

**Notes to the Financial Statements**  
 For the Year Ended 30 June 2018

**16 Related Parties**

**(a) The Company's main related parties are as follows:**

Key management personnel - refer to Note 14.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

**(b) Transactions with related parties**

There are no other transactions noted with related parties.

**(c) Loans to/from related parties**

There are no loans to or from related parties noted.

**18 Events after the end of the Reporting Period**

The financial report was authorised for issue on 27<sup>th</sup> March 2019 by those charged with governance.

No matters or circumstances 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.

**19 Statutory Information**

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

Rural Aid Limited  
 8 Colebard St E  
 Acacia Ridge QLD 4110



INDEPENDENT AUDIT SERVICES

[www.independentauditservices.com.au](http://www.independentauditservices.com.au)

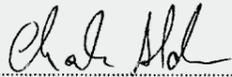
T 07 3905 9430 M 0431 682 669  
 Level 1, Suite 1a  
 33 Queen Street  
 Brisbane QLD 4000

**Responsible Persons' Declaration**

The responsible persons declare that in the responsible persons' opinion:

- 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*.

Responsible person   
 Charles Alder

Dated this 27<sup>th</sup> day of March 2019

**Rural Aid Limited**  
 ABN 29 605 783 597

**Independent Audit Report to the members of Rural Aid Limited**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Rural Aid Limited, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

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

- (i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) 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**

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.

**Responsibilities of Responsible Entities 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 - Reduced Disclosure Requirements 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.

Independent Audit Services Pty Ltd ABN 87 168 884 875  
 Limited liability by a scheme approved under Professional Standards Legislation.  
 Registered Authorised Audit Company No. 460755



## Independent Audit Services

In preparing the financial report, the 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 the 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 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.

### INDEPENDENT AUDIT SERVICES Chartered Accountants



Jiahui Thum  
Director

Brisbane, QLD  
Date: 27<sup>th</sup> March 2019





# HELP AUSTRALIA

## How you can help

### **Volunteer your time**

Register to be a farm volunteer at [www.farmarmy.com.au](http://www.farmarmy.com.au)

### **Make a donation**

Donation can be made through [www.ruralaid.org.au/donate](http://www.ruralaid.org.au/donate)  
[www.buyabale.com.au/donate](http://www.buyabale.com.au/donate)

### **Purchase our merchandise**

Purchases of merchandise can be made at [www.ruralaid.org.au/shop](http://www.ruralaid.org.au/shop)  
[www.buyabale.com.au/shop](http://www.buyabale.com.au/shop)

### **Leave a bequest**

Contact Admin at 1300 327 624  
and ask for the bequeaths and fundraising co  
ordinator

### **Support an event or fundraising activity**

We run events all the time and are all listed on  
our Facebook pages and on our two principle  
websites.

Facebook : [www.facebook.com/BuyaBaleofHay](http://www.facebook.com/BuyaBaleofHay)  
Facebook:" [www.facebook.com/RuralAidAust](http://www.facebook.com/RuralAidAust)

### **Become a corporate partner**

Contact [corporate@ruralaid.org.au](mailto:corporate@ruralaid.org.au) for all  
corporate partnerships and corporate volunteering  
engagements

SUPPORTING

# Rural Australia

