

# **Country Education Foundation of Australia Ltd**

ACN 103 889 452

## **Financial Statements**

For the Year Ended 30 June 2015

# Country Education Foundation of Australia Ltd

ACN 103 889 452

For the Year Ended 30 June 2015

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# Country Education Foundation of Australia Ltd

ACN 103 889 452

Chairman's Report

30 June 2015

Education policy has been at the centre of national debate over the last 12 months. This has created enormous uncertainty amongst the institutions and students that are served by university and TAFE colleges. Whilst this uncertainty has played out on the national stage at the grass roots level, where our concern is focussed, there is a high level of confusion and uncertainty.

This is unfortunate as feedback from our now 400 strong group of volunteers serving the Country Education Foundation across 42 regional foundations indicates all are only too aware of the enhanced need for education as the pathway to opportunity and career choice. At no time has it been more important in regional Australia for young people to be given an opportunity to find their way through the maze to further their education and enhance their ability to shape a career.

Our education partners have remained committed notwithstanding the financial pressures and uncertainties they are facing in Federal Government funding. Two new education partners have joined our family, namely Griffith University in Queensland and Open Universities Australia. We welcome them to the 18 partners that we already have nationally and who provided co-funding this year of \$225,000.

In all CEF achieved a new milestone handing out 463 grants worth a total of \$652,000. We have continued to expand our footprint at sustainable levels with the additional of Nyngan Country Education Foundation in North Western NSW.

When considered over our history we can take enormous pleasure in recording that we have provided over \$6.4 million of support to more than 4,000 students.

From my own experience, in Boorowa, one of the most successful programs that we run from students' point of view is the University Experience which has been supported by Macquarie University and the NSW based Bridges Partnership of Universities, Australian National University and University of Canberra. These experiences have opened the eyes of young regional students to the opportunities of further education that some never believed possible. There are some wonderful individual stories on how these experiences have profoundly changed lives for the better.

This year we have invested in our own sustainability, and in the resources which make it possible for our volunteers to continue supporting growing numbers of students each year. Emphasis on bringing up to date our information systems' capacity to make it easier for volunteers to work within our family has been a priority. With this in mind we have dramatically improved the efficiency and friendliness of our website. This has been rewarded with a huge increase in traffic and usage by both students and ease of operation for the local foundations.

At the more exciting end of the scale our Scholarships Guide and University Survival Guide publications have continued to grow in popularity and distribution, providing valuable resources for parents and students across the whole country. This has proved particularly beneficial for students in regional Australia where we have no presence and a scope of opportunities are set out in an easy format.

# Country Education Foundation of Australia Ltd

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Chairman's Report

30 June 2015

The challenge for the Board of the Foundation is to continue to provide the financial wherewithal for what we know is a crying need. Whenever I travel to individual Foundations I am touched by the personal stories of achievement and initiative that young people have pursued. Nearly always the pursuit of their goals has been materially advanced by the work of the local committee who through their intuitive and local knowledge have adapted the support that the Country Education Foundation can provide. The mentoring and personal support offered to students leads to results that are not achievable with either government funding or third party programs. The financial support that CEF obtains is often unheralded and is given insufficient public recognition. The reward clearly lies in the reports back to our donors as to what has been achieved and how effectively their support has been leveraged into opportunities for young people.

Some of those who have recently joined us as financial supporters include the NSW Country Eagles, ASX Thompson Reuters Foundation and the Millett Family Foundation. These supporters join a group of longer established supporters led by the Origin Foundation and the Snow Foundation, who support not only scholarships, but also a number of projects aimed at our financial sustainability. Much of this expenditure is used to cover the less glamorous side of our work related to good governance and program support. The importance of expanding our capacity to support the voluntary field workers cannot be overstated and is a significant investment that is necessary to achieve the outcomes we have set out to achieve.

Others who remain committed to assisting young people find their way in furthering their education and skill set include the James N Kirby Foundation, Purves Foundation, Profiel Foundation, AVIS, Steve Godbold and Matt Wilson. Of particular mention I would like to thank the staff and directors of Boyce Chartered Accountants who continue to support their regional roots with an outstanding commitment to our financial reporting and conduct. In today's world, where reputation is all, they ensure that the probity requirements of a not for profit organisation such as ours are always front of mind. All of this is brought together under the outstanding leadership of Sarah Taylor, our CEO. She has assembled an extraordinary team of devoted individuals who are now housed in our larger offices in Orange.

There is no one in our organisation who more faithfully exhibits the qualities of the Foundation than Katie Walker who after many years of service has retired but thankfully agreed to remain on the Board as a contributor.

Our committees are all evidenced by a dominance of long established members which is testament to the value they see being derived from our work. My heartfelt thanks goes to them all.

Nicholas Burton Taylor AM

September 2015

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Directors' Report

30 June 2015

Your directors present their report on the Company for the financial year ended 30 June 2015.

### 1. Directors

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

<b>Names</b>	<b>Appointed/Resigned</b>
Mr Nicholas Burton Taylor AM FCA (Chairman)	
Mrs Julia Burton Taylor OAM (Secretary)	
Mrs Catherine Walker	
Mr David Smithers AM FCA	
Mr Stuart Black AM FCA	
Mr Guy Milson (Treasurer)	
Mr Michael Boyce FCA	

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

### 2. Principal Activities

The principal activities of Country Education Foundation of Australia Ltd during the financial year were:

1. To improve the education and career prospects of younger members of regional Australia by providing financial assistance, encouragement and support.
2. To facilitate the formation and operation of community based education foundations with the purpose of advancing the aims of the foundation.

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

### 3. Business review

#### (a) Operating Results

The deficit for the year amounted to \$ (245,172) (2014 surplus: \$ 161,964).

# Country Education Foundation of Australia Ltd

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## Directors' Report

30 June 2015

### 3. Business review continued

#### (b) Review of operations

A review of the operations of Company during the financial year and the results of those operations show the largest impact on the company's result is due to a change in interpretation and application of the accounting policy regarding the ability to defer and match grant monies to the expenditure to which it relates. The impact of introducing this policy was an increase in the company's deficit of \$224,500, which otherwise would have been \$20,672. As was disclosed in the 2014 report the surplus achieved for that year was significantly impacted by the unexpended funds not disclosed as a liability.

There has been growing support from donors and partners. Reserves of the organisation have purposefully been utilised to fund this cost of growth with a view to achieving sustainability in the near future.

### 4. Other items

#### (a) Significant Changes in State of Affairs

No significant changes in Country Education Foundation of Australia Ltd's state of affairs occurred during the financial year.

#### (b) After balance day events

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

#### (c) Future developments and results

The company is continuing to develop its relationships with its supporters in order to grow both the opportunities and the footprint for those seeking tertiary education.

The Board is focussed on ensuring a sustainable model is in place for our future.

#### (d) Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 28.

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Directors' Report

30 June 2015

### 5. Director Information

#### (a) Information on directors

Mr Nicholas Burton Taylor	Chairman
Qualifications	AM, FCA, BEc(Syd) FFIN FAICD
Experience	Founding Chairman of Country Education Foundation of Australia, Boorowa Education Foundation; Principal of Hillgrove Pastoral, Founder and former Managing Director of Hays Personnel (Australia); Chancellor Southern Cross University September 2014, Chairman Delta Agribusiness; Past Chairman of Australian Agricultural Company, Airservices Australia, Australian Topmaking Services; Past Director of CSR Limited, Hazelton Airlines, Rural Press, Sydney Airport Corporation, Meat Research Corporation; Past President of the Institute of Chartered Accountants.
Mrs Julia Burton Taylor	Secretary OAM
Experience	Founding member of Country Education Foundation of Australia; Committee member of Boorowa Education Foundation; Management Committee of Hillgrove Pastoral.
Mrs Catherine Walker	
Experience	Member of Yass District Education Foundation; Executive Officer, Country Education Foundation of Australia; Partner of Ledgworth Partnership grazing property in the Yass district; Vice President of Yass Aged Care Foundation; Past President of the Ski Club of Australia and Ascham Parents Association.
Mr David Smithers	
Qualifications	AM, FCA
Experience	Director of James N Kirby Foundation Pty Limited; Director of Genea Limited; Former Chairman of PwC Australia and Member of PwC Global Board; Fellow of the Institute of Chartered Accountants, past President; Fellow of the Australian Institute of Company Directors; Former Director of Sydney Olympics 2000 Bid Limited, and chairman of its Finance Commission; Former Director of Rabobank Group in Australasia.

# Country Education Foundation of Australia Ltd

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## Directors' Report

30 June 2015

### 5. Director Information continued

#### (a) Information on directors continued

Mr Stuart Black

Qualifications

Experience

AM, FCA

Non-Executive Director of Australian Agricultural Company Limited, Non-Executive Director of NetComm Wireless Limited, Former non-Executive Director of Coffey International Limited; Board Member of the Accounting Professional and Ethical Standards Board; Chairman of the Chartered Accountants Benevolent Fund; Fellow of the Institute of Chartered Accountants and past President; Fellow of the Tax Institute of Australia; Fellow of the Australian Institute of Company Directors; Former Managing Partner of Chapman Eastway Chartered Accountants; Former Chair of the ICAA Rural and Regional Issues Group.

Mr Guy Milson

Qualifications

Experience

Treasurer

B. Economics, University of Sydney

Chair of Goulburn and District Education Foundation; Principal of Cardross Goulburn and other agricultural properties; Management of private family investment companies.

Mr Michael Boyce

Qualifications

Experience

FCA, FAICD; B. Com

Founder of BOYCE Chartered Accountants; Fellow of the Institute of Chartered Accountants; Fellow of the Australian Institute of Company Directors; Director of Namoi Cotton Co-Operative Ltd; Director of Birdsnest Pty Ltd; Director of Monbeef Pty Limited; Director of Hazeldean Pty Limited; Management Committee of Monaro Early Intervention Service Inc; Chair of Fugen Hardware Group Pty Limited; Past Chair of the Board of Governors Winifred West Schools Ltd.



# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Directors' Report

30 June 2015

### 5. Director Information continued

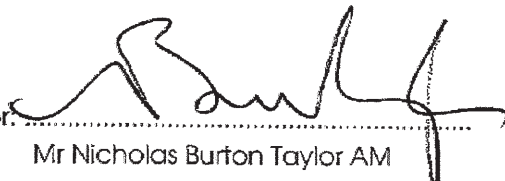
#### (b) Meetings of directors

During the financial year, 2 meetings of directors (including committees of directors) was held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr Nicholas Burton Taylor AM (Chairman)	2	2
Mrs Julia Burton Taylor OAM (Secretary)	2	2
Mrs Catherine Walker	2	2
Mr David Smithers AM	2	2
Mr Stuart Black AM FCA	2	2
Mr Guy Milson	2	1
Mr Michael Boyce FCA	2	2

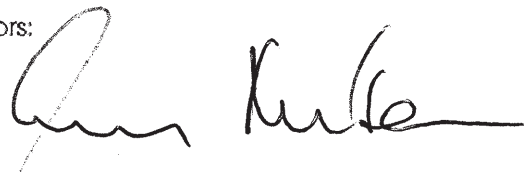
Signed in accordance with a resolution of the Board of Directors:

Director:



Mr Nicholas Burton Taylor AM

Director:



Mr Guy Milson

Dated 27 October 2015

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Independent Audit Report to the members of Country Education Foundation of Australia Ltd

### Report on the Financial Report

We have audited the accompanying financial report of Country Education Foundation of Australia Ltd, which comprises the statement of financial position as at 30 June 2015, and the , statement of changes in equity and statement of cash flows for the year ended that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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Cooma Dubbo Goulburn Moree Wagga Wagga



Knowledge. Insight. Experience.

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Independent Audit Report to the members of Country Education Foundation of Australia Ltd

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

### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Country Education Foundation of Australia Ltd on the date of this auditor's report.

### Auditor's Opinion

In our opinion:

- (a) the financial report of Country Education Foundation of Australia Ltd is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1



Katherine M Kelly  
Director  
Boyce Assurance Services Pty Limited

Cooma

27 October 2015

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# Country Education Foundation of Australia Ltd

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## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 11 to 27, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2015 and of the 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 will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....

Mr Nicholas Burton Taylor AM

Director .....

Mr Guy Milson

Dated 27 October 2015

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Revenue</b>			
Donations - Education partners		180,100	175,800
Donations - General		464,785	601,632
Donations - Administration		35,005	47,469
Donations - Projects		169,241	227,400
Investment income		35,913	34,375
Services revenue		60,515	38,539
<b>Total revenue</b>		<b>945,559</b>	<b>1,125,215</b>
<b>Expenditure</b>			
Funding - Regional foundations		(634,666)	(503,032)
Funding - Projects		(63,700)	(53,956)
Community education		(52,028)	(65,790)
Program support		(126,023)	(138,054)
Fundraising		(69,788)	(47,907)
Accountability and administration		(230,541)	(136,651)
Depreciation, amortisation and impairments	3	(13,985)	(17,861)
<b>Total expenditure</b>		<b>(1,190,731)</b>	<b>(963,251)</b>
<b>Surplus/(deficit) for the year before income tax</b>		<b>(245,172)</b>	<b>161,964</b>
Income tax expense		-	-
<b>Surplus/(deficit) for the year</b>		<b>(245,172)</b>	<b>161,964</b>
Other comprehensive income		(13,725)	37,050
<b>Total comprehensive income for the year</b>		<b>(258,897)</b>	<b>199,014</b>

The accompanying notes form part of these financial statements.

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Statement of Financial Position

30 June 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	513,954	526,956
Trade and other receivables	6	60,963	14,812
Inventories		2,200	-
Other current assets	7	9,525	5,925
<b>Total current assets</b>		<b>586,642</b>	<b>547,693</b>
<b>Non-current assets</b>			
Financial assets	8	309,815	323,925
Property, plant and equipment	9	9,614	5,734
Intangible assets	10	24,968	36,010
<b>Total non-current assets</b>		<b>344,397</b>	<b>365,669</b>
<b>TOTAL ASSETS</b>		<b>931,039</b>	<b>913,362</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	43,484	22,339
Other current liabilities	12	187,437	9,675
<b>Total current liabilities</b>		<b>230,921</b>	<b>32,014</b>
Other non-current liabilities	12	77,667	-
<b>Total non-current liabilities</b>		<b>77,667</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>308,588</b>	<b>32,014</b>
<b>NET ASSETS</b>		<b>622,451</b>	<b>881,348</b>
<b>EQUITY</b>			
Reserves		94,495	108,220
Retained earnings		527,956	773,128
<b>TOTAL EQUITY</b>		<b>622,451</b>	<b>881,348</b>

The accompanying notes form part of these financial statements.

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Statement of Changes in Equity

For the Year Ended 30 June 2015

### 2015

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2014	773,128	108,220	881,348
Surplus/(deficit) attributable to members	(245,172)	-	(245,172)
Revaluation increment/(decrement) in financial assets	-	(13,725)	(13,725)
	(245,172)	(13,725)	(258,897)
<b>Balance at 30 June 2015</b>	<b>527,956</b>	<b>94,495</b>	<b>622,451</b>

### 2014

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2013	611,164	71,170	682,334
Surplus/(deficit) attributable to members	161,964	-	161,964
Revaluation increment/(decrement) in financial assets	-	37,050	37,050
	161,964	37,050	199,014
<b>Balance at 30 June 2014</b>	<b>773,128</b>	<b>108,220</b>	<b>881,348</b>

The accompanying notes form part of these financial statements.

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Cash from operating activities:</b>			
Receipts from donations and customers		1,133,348	1,086,916
Payments to students, suppliers and employees		(1,174,743)	(976,471)
Dividends received		23,178	23,773
Interest received		11,653	10,602
<b>Net cash provided by (used in) operating activities</b>	14	<b>(6,564)</b>	144,820
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment	9(a)	(6,439)	(3,999)
Payment for intangible assets		-	(39,950)
<b>Net cash used by investing activities</b>		<b>(6,439)</b>	(43,949)
<b>Net cash increase (decreases) in cash and cash equivalents</b>		<b>(13,003)</b>	100,871
Cash and cash equivalents at beginning of year		526,956	426,085
<b>Cash and cash equivalents at end of year</b>	5(a)	<b>513,953</b>	526,956

The accompanying notes form part of these financial statements.



# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 1 Statement of Significant Accounting Policies

#### (a) General information

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the entity of Country Education Foundation of Australia Ltd as an individual entity. Country Education Foundation of Australia Ltd is a Company limited by guarantee, incorporated and domiciled in Australia.

The financial report of Country Education Foundation of Australia Ltd as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The directors have chosen to change the format of the Statement of Profit and Loss and other Comprehensive Income to provide more relevant descriptions of the donations received and the expenditure in line with its function. The comparatives have been adjusted accordingly.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (b) Basis of Preparation

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

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 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.

#### (c) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 1 Statement of Significant Accounting Policies continued

#### (d) 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 which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

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

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

##### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

##### Depreciation

The depreciable amount of all plant and equipment, is depreciated on a diminishing value basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Plant and Equipment	Depreciation Rate
Furniture and fittings	10%
Office Equipment	50%-66.67%
Plant and equipment	20%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 1 Statement of Significant Accounting Policies continued

#### (f) Investments (financial assets)

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

All investments are classified as available-for-sale financial assets. Available-for-sale financial assets are reflected at fair value unless their fair value cannot be reliably measured. Unrealised gains arising from changes in fair value are taken directly to equity and are recorded in the asset revaluation reserve. Unrealised losses, unless they represent a reversal of amounts previously taken to the asset revaluation reserve, are shown as an impairment in the income statement.

#### (g) Financial Instruments

##### Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

##### Held-to-maturity investments

These investments have fixed maturities, and it is the Company's intention to hold these investments to maturity. Any held-to-maturity investments held by the Company are stated at amortised cost using the effective interest rate method.

##### Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

##### Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 1 Statement of Significant Accounting Policies continued

#### (h) Intangibles

##### **DVD development costs**

DVD development costs are capitalised only where the project will deliver future economic benefits and these benefits can be measured reliably.

The DVD has a finite life and is amortised on a systematic basis matched to the future economic benefits over the useful life.

##### **Website development costs**

Website development costs are capitalised only where the project will deliver future economic benefits and these benefits can be measured reliably.

The website is expected to have a four year lifespan before major refresh is necessary, and is amortised on a systematic basis matched to the future economic benefits over the useful life.

#### (i) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

#### (j) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

#### (k) Income Tax

The Country Education Foundation of Australia Ltd has been granted income tax exempt status under s 50-5 of the Income Tax Assessment Act 1997. As a result of its income tax exempt status no income tax is payable by the company.

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 1 Statement of Significant Accounting Policies continued

#### (l) Revenue

Donations are considered as income upon receipt.

Contributions from educational institutions and co funders are recognised in the income statement when it is controlled. Where there are conditions attached to the contributions requiring them to be used for specific purposes, the unexpended amounts are recognised in the statement of financial position as a liability until such conditions are met or services provided.

Dividend income is recognised based on the expected payment date. Franking credits relating to dividends are considered to be additional revenue as the company is entitled to apply for a refund of these franking credits. The income from the franking credits is regarded as income in line with the related dividends expected payment date.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

#### (m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised exclusive of the amount of GST as the company is registered for GST. Receivables and payables in the statement of financial position are shown net of GST.

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 2 Critical accounting estimates and judgments

#### Accounting for grant income

The application of AASB1004 "Contributions" was reconsidered in regard to grant monies received (primarily for scholarships). The accounting standard generally requires income to be brought to account when control is obtained unless there is a requirement to undertake a reciprocal arrangement and potentially refund the amounts if the arrangements are not carried out.

Until 30 June 2014 income from supporters as detailed below was included in income as received.

The conditions attaching to these grants and those criteria of the accounting standards have been reconsidered in the current financial year and it has been determined that there is sufficient requirements met to disclose unexpended portions of these grants as unearned income and therefore liabilities of the company.

The impact of introducing this policy was an increase in the company's deficit of \$224,500, which otherwise would have been \$20,672. As was disclosed in the 2014 report the surplus achieved for that year was significantly impacted by the unexpended funds not disclosed as a liability.

The details of the unexpended grants by supporter are:

	2015 \$	2014 \$
<b>Scholarship Partners</b>		
Loder Foundation	80,500	57,500
Eureka Benevolent Foundation	20,000	25,000
Origin Foundation	90,750	142,000
James N Kirby Foundation	25,000	-
McLean Foundation	1,364	-
<b>Total Scholarship Partners</b>	<b>217,614</b>	<b>224,500</b>
<b>Education Partners</b>		
Universities	47,490	9,675
<b>Total unexpended funds</b>	<b>265,104</b>	<b>234,175</b>

# Country Education Foundation of Australia Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 3 Depreciation, amortisation and impairments

	Note	2015 \$	2014 \$
Impairment/(Reversal of impairment) of financial assets to recoverable amount		385	6,020
Depreciation	9(a)	2,559	2,376
Amortisation of intangible assets	10(a)	11,041	9,465
<b>Total depreciation, amortisation and impairments</b>		<b>13,985</b>	<b>17,861</b>

### 4 Auditors' Remuneration

Remuneration of the auditor of the Company for:

- Auditing or reviewing the financial report
- Other services

9,490	9,210
25,515	38,259
<b>35,005</b>	<b>47,469</b>

The total remuneration of the auditor, including other services, has been offset by a donation received from Boyce Chartered Accountants.

### 5 Cash and Cash Equivalents

Cash at bank	156,843	212,374
Short-term bank deposits	357,111	314,582
	<b>513,954</b>	<b>526,956</b>

#### (a) Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	513,953	526,956
	<b>513,953</b>	<b>526,956</b>

# Country Education Foundation of Australia Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 6 Trade and Other Receivables

	2015	2014
	\$	\$
CURRENT		
Sundry receivables	51,879	10,568
Deposits	1,946	642
GST refund due	7,138	3,602
	<u>60,963</u>	<u>14,812</u>

### 7 Other Assets

CURRENT		
Prepayments	9,525	5,925
	<u>9,525</u>	<u>5,925</u>

### 8 Other financial assets designated at fair value

Available for sale financial assets	309,815	323,925
	<u>309,815</u>	<u>323,925</u>

Investments are recorded at their net market value at year end. Shares in listed companies are valued based on cum dividend market amounts. Available for sale financial assets comprise fully of listed Australian company shares.



# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 9 Property, Plant and Equipment

	2015 \$	2014 \$
PLANT AND EQUIPMENT		
At cost	1,853	792
Accumulated depreciation	(461)	(190)
Total plant and equipment	1,392	602
Furniture, fixture and fittings		
At cost	2,417	2,417
Accumulated depreciation	(809)	(630)
Total furniture, fixture and fittings	1,608	1,787
Office equipment		
At cost	12,556	7,178
Accumulated depreciation	(5,942)	(3,833)
Total office equipment	6,614	3,345
Total plant and equipment	9,614	5,734
<b>Total property, plant and equipment</b>	<b>9,614</b>	<b>5,734</b>

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 9 Property, Plant and Equipment continued

#### (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 \$	Office Equipment \$	Total \$
<b>Current year</b>				
Balance at the beginning of year	602	1,787	3,345	5,734
Additions	1,061	-	5,378	6,439
Depreciation expense	(271)	(179)	(2,109)	(2,559)
<b>Balance at 30 June 2015</b>	<b>1,392</b>	<b>1,608</b>	<b>6,614</b>	<b>9,614</b>
<b>Prior year</b>				
Balance at the beginning of year	752	1,986	1,372	4,110
Additions	-	-	3,999	3,999
Depreciation expense	(150)	(199)	(2,026)	(2,375)
<b>Balance at 30 June 2014</b>	<b>602</b>	<b>1,787</b>	<b>3,345</b>	<b>5,734</b>

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 10 Intangible Assets

	2015 \$	2014 \$
DVD development costs		
Cost	22,354	22,354
Less: Accumulated amortisation	(22,354)	(21,301)
Net carrying value	-	1,053
Website		
Cost	39,950	39,950
Less: Accumulated amortisation	(14,982)	(4,994)
Net carrying value	24,968	34,956
Total Intangibles	24,968	36,009

#### (a) Movements in carrying amounts of intangible assets

	Website \$	DVD \$	Total \$
<b>Year ended 30 June 2015</b>			
Opening balance	34,956	1,053	36,009
Amortisation	(9,988)	(1,053)	(11,041)
<b>Closing value at 30 June 2015</b>	<b>24,968</b>	<b>-</b>	<b>24,968</b>
<b>Year ended 30 June 2014</b>			
Opening balance	-	5,524	5,524
Additions	39,950	-	39,950
Amortisation	(4,994)	(4,471)	(9,465)
<b>Closing value at 30 June 2014</b>	<b>34,956</b>	<b>1,053</b>	<b>36,009</b>

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 11 Trade and Other Payables

	2015	2014
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	12,966	-
Accrued employee entitlements	11,756	14,988
Sundry payables and accrued expenses	11,878	3,366
PAYG withholding payable	6,883	3,984
	<u>43,483</u>	<u>22,338</u>

### 12 Other Liabilities

CURRENT		
Unexpended monies from funding partners	187,437	9,675
	<u>187,437</u>	<u>9,675</u>
NON-CURRENT		
Unexpended monies from funding partners	77,667	-
	<u>77,667</u>	<u>-</u>

### 13 Financial instruments

#### Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks and payables. The main purpose for non-derivative financial instruments is to raise finance for company operations.

The company does not believe it faces major risks from interest rates, credit, liquidity and foreign exchange risks and accordingly no further disclosures regarding financial risk management policies are required under AASB107.

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2015

### 14 Cash Flow Information

#### Reconciliation of Cash Flow from Operations with Surplus/(Deficit)

	2015	2014
	\$	\$
Net (deficit)/surplus for the year	(245,172)	161,964
Non-cash flows in (deficit)/surplus:		
Amortisation	11,041	9,465
Depreciation and impairments	2,944	8,396
Changes in assets and liabilities:		
(Increase)/decrease in trade and term receivables	(46,151)	(2,866)
(Increase)/decrease in prepayments	(3,600)	(4,447)
(Increase)/decrease in inventories	(2,200)	-
Increase/(decrease) in trade payables and accruals	21,145	1,128
Increase/(decrease) in other liabilities	255,429	(28,820)
Cashflow from/(used in) operations	(6,564)	144,820

### 15 Members' Guarantee

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 each towards any outstanding obligations of the Company.

### 16 Company Details

#### Registered office

The registered office of the company is:

"Hillgrove"

Boorowa NSW 2586

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Katherine M Kelly  
Director  
Boyce Assurance Services Pty Limited

Cooma

27 October 2015

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