

# **Country Education Foundation of Australia Ltd**

ACN 103 889 452

## **Financial Statements**

For the Year Ended 30 June 2013

# Country Education Foundation of Australia Ltd

ACN 103 889 452

For the Year Ended 30 June 2013

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# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Chairman's Report

30 June 2013

When called upon to reflect on the events of the last 12 months I cannot remove from my mind the enthusiasm and energy that was portrayed at the recent national conference of the Country Education Foundation of Australia. It embodied all of the diversity and grassroots energy that is available to the task we have set ourselves, to progress the opportunities for young people embarking on their careers after completing their secondary education.

It has never been more evident in regional Australia that we are suffering a disadvantage when it comes to the allocation of enabling infrastructure in educational resources to our young people. This is most obvious when looking at the degree of difficulty now surrounding study allowances and assistance in moving away from home to continue more advanced education and training.

Whilst much has been promised with regard to NBN there are very few of our communities that today have shown any benefit and whilst one harbours hopes that this will change in coming years, the lack of access to formal education and training particularly in the TAFE arena has never been more pronounced.

The other striking message from our recent conference is the strength and commitment of our university partners. Universities in the last ten years have really changed their outlook on where they draw students from and the care that they apply to their pastoral as well as educational wellbeing. The partnerships that we have formed have been a great opportunity to communicate the difficulties that some of our young students face in embarking on further education. This extends not only to the natural lack of affinity with the more populace city based campuses, but, the practical difficulties of accommodation and travel, together with the challenge of staying in touch with traditional family and community influences. Whilst there is much work to do in this area I believe we have made headway and in part recognition of this we are now forging links with like-minded organisations to offer co-services. The Black Dog Institute is one such positive partnership being forged.

Further a number of very constructive suggestions emerged from the conference gathering. One such idea was to portray a more unified identity. It is clear that applying students are often confused when they come to our website as to the connectivity of the Country Education Foundation of Australia with the individual foundations. A further and important consideration is the confusion that exists in the minds of national benefactors and sponsors with the very different identities of our constituent foundations. The trick is going to be in getting a unified format without losing the identity and individuality of local foundations which has been a hallmark of our success.

Boring though it may be the update of our own technology, office infrastructure and website has been a fundamental necessity for some time. We are driven by the desire to make more efficient and more time economical the significant compliance issues that as a charitable organisation we face. A priority is to reduce the time required of our volunteers in the communities in satisfying all the paperwork. The new website and technology improvements will bring about much needed gains in efficiency and simplicity. We are indebted to Macquarie University and the Origin Foundation for helping us to bring this to fruition with much needed financial support.

# Country Education Foundation of Australia Ltd

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Chairman's Report

30 June 2013

Recently we held a 10th Anniversary celebratory function at the NSW State Library. At this gathering were many who were involved in the early days of establishment and in particular helped overcome the travails of achieving Deductible Gift Recipient status with the Federal Government. So many of those faces that supported us in those early days are still with us today, either supporting financially or providing moral support. Their faith in our work has been one of the underpinning factors in what we have achieved in the interim period. My heartfelt thanks to them all.

Once again I wish to record my profound thanks for the executive committee that works so closely on the advancement of your Foundation and the Board which has been unwavering in its support.

In conclusion I would like to pay tribute to our management team who under Sarah Taylor, our CEO, has shown a level of devotion and focus that has achieved much under difficult economic circumstances.

Nick Burton Taylor AM

22 October 2013

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Directors' Report

30 June 2013

Your directors present their report on the company for the financial year ended 30 June 2013.

### 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 (Chairman)	
Mrs Julia Burton Taylor (Secretary)	
Mrs Catherine Walker (Treasurer)	
Mr David Smithers AM	
Mr Stuart Black AM FCA	
Mr Guy Milson	
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 (loss) / profit for the year amounted to \$ (169,168) (2012: \$ 213,985).

# Country Education Foundation of Australia Ltd

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## Directors' Report

30 June 2013

### 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 continuing strong support by universities and donors. Last year's profit was marked by the receipt in June 2012 of a large donation gifted for use for the period 1 January 2011 to 30 June 2013. That factor contributed to the 2012 profit and is also impacting on the result in the current year. As there are no requirements to give back unexpended funds, donations are considered income in the year of receipt. Employee and administration costs increased in the 2013 year after having fallen in 2012. Additionally with the tough economic times donations to regional foundations have fallen, however due to the strong bank of retained earnings the company has been able to continue to support all programs in the current year.

### 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) 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 27.

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Directors' Report

30 June 2013

### 5. Director Information

#### (a) Information on directors

Mr Nicholas Burton Taylor	Chairman
Qualifications	AM, FCA
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); 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
Experience	Founding member of Country Education Foundation of Australia; Committee member of Boorowa Education Foundation; Management committee of Hillgrove Pastoral. Active in numerous charity and community projects.
Mrs Catherine Walker	Treasurer
Experience	Member of Yass District Education Foundation, past Chairperson; Executive Officer, Country Education Foundation of Australia; Partner of Ledgworth Partnership - grazing property in the Yass district; Deputy Chair of Yass Aged Care Foundation; Past President of the Ski Club of Australia and Ascham Parents Association. Over twenty five years involvement in charity work including the Guide Dogs Association, Horton House Nursing Home and the Yass Aged Care Foundation.
Mr David Smithers	
Qualifications	AM, FCA
Experience	Extensive experience in the financial services sector, particularly in corporate valuation, mergers and acquisitions, privatisations and restructuring. 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.

# Country Education Foundation of Australia Ltd

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Directors' Report

30 June 2013

## 5. Director Information continued

### (a) Information on directors continued

Mr Stuart Black

Qualifications

AM, FCA

Experience

Board Member of the Accounting Professional & Ethical Standards Board; Non Executive Director of Coffey International Limited, ASX Code COF; Non Executive Director of the Chartered Accountants Benevolent Fund; Fellow of the Institute of Chartered Accountants, past President; Fellow of the Tax Institute of Australia; Fellow of the Australian Institute of Company Directors; Former Chair of ICAA Rural & Regional Issue Group; Former Managing Partner, Chapman Eastway Chartered Accountants.

Mr Guy Milson

Qualifications

B Economics, University of Sydney

Experience

Chair of Goulburn & District Education Foundation; Principal of "Cardross" Goulburn and other agricultural properties; Management of private family investment companies, plus numerous roles in local charitable and sporting organisations.

Mr Michael Boyce

Qualifications

FCA; FAICD; B Comm, HDA

Experience

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



# Country Education Foundation of Australia Ltd

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## Directors' Report

30 June 2013


### 5. Director Information continued

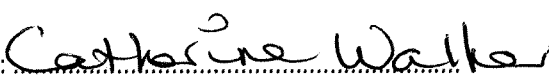
#### (b) Meetings of directors

During the financial year, 1 meeting 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)	1	1
Mrs Julia Burton Taylor (Secretary)	1	1
Mrs Catherine Walker (Treasurer)	1	1
Mr David Smithers AM	1	1
Mr Stuart Black AM FCA	1	1
Mr Guy Milson	1	1
Mr Michael Boyce FCA	1	1

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

Director:   
Mr Nicholas Burton Taylor AM

Director:   
Mrs Catherine Walker

Dated 22 October 2013

# 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 2013, and the statement of comprehensive income, statement of changes in equity and cash flow statement 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

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## 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 2013 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

22 October 2013

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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 26, 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 2013 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 .....  
Mrs Catherine Walker

Dated 22 October 2013

# Country Education Foundation of Australia Ltd

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## Statement of Comprehensive Income

For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
Donations		660,406	994,700
Investment income	2	40,950	35,582
Services revenue		26,604	11,911
Employee costs		(181,797)	(153,448)
Depreciation, amortisation and impairments	3	(1,909)	(26,475)
Funding - Regional Foundations		(550,320)	(514,496)
Funding - Projects		(73,540)	(64,257)
Administration costs		(89,562)	(69,532)
<b>(Loss) / Profit before income tax</b>		<b>(169,168)</b>	213,985
Income tax expense		-	-
<b>(Loss) / Profit for the year</b>		<b>(169,168)</b>	213,985
Other comprehensive income / (loss)		59,175	(8,690)
<b>Total comprehensive income for the year</b>		<b>(109,993)</b>	205,295

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 2013

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	426,085	591,685
Trade and other receivables	6	11,946	9,353
Other current assets	7	1,478	1,572
<b>Total current assets</b>		<b>439,509</b>	<b>602,610</b>
<b>Non-current assets</b>			
Financial assets	8	292,895	229,525
Property, plant and equipment	9	4,110	4,951
Intangible assets	10	5,524	9,995
<b>Total non-current assets</b>		<b>302,529</b>	<b>244,471</b>
<b>TOTAL ASSETS</b>		<b>742,038</b>	<b>847,081</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	12,145	8,373
Short-term provisions	12	5,617	4,607
Other current liabilities	13	38,495	38,660
<b>Total current liabilities</b>		<b>56,257</b>	<b>51,640</b>
<b>Non-current liabilities</b>			
Other long-term provisions	12	3,447	3,114
<b>Total non-current liabilities</b>		<b>3,447</b>	<b>3,114</b>
<b>TOTAL LIABILITIES</b>		<b>59,704</b>	<b>54,754</b>
<b>NET ASSETS</b>		<b>682,334</b>	<b>792,327</b>
<b>EQUITY</b>			
Reserves		71,170	11,995
Retained earnings		611,164	780,332
<b>TOTAL EQUITY</b>		<b>682,334</b>	<b>792,327</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 2013

### 2013

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2012	780,332	11,995	792,327
Loss attributable to members	(169,168)	-	(169,168)
Revaluation increment/(decrement) in financial assets	-	59,175	59,175
	(169,168)	59,175	(109,993)
<b>Balance at 30 June 2013</b>	<b>611,164</b>	<b>71,170</b>	<b>682,334</b>

### 2012

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2011	566,348	20,685	587,033
Profit attributable to members	213,984	-	213,984
Revaluation increment/(decrement) in financial assets	-	(8,690)	(8,690)
	213,984	(8,690)	205,294
<b>Balance at 30 June 2012</b>	<b>780,332</b>	<b>11,995</b>	<b>792,327</b>

The accompanying notes form part of these financial statements.

# Country Education Foundation of Australia Ltd

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## Cash Flow Statement

For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
<b>Cash from operating activities:</b>			
Receipts from donations and customers		752,677	1,008,271
Payments to suppliers and employees		(958,435)	(803,688)
Dividends received		20,788	19,779
Interest received		20,162	15,087
<b>Net cash provided by (used in) operating activities</b>	15	<b>(164,808)</b>	239,449
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment	9(a)	(792)	(5,595)
<b>Net cash used by investing activities</b>		<b>(792)</b>	(5,595)
<b>Net cash increase (decreases) in cash and cash equivalents</b>		<b>(165,600)</b>	233,854
Cash and cash equivalents at beginning of year		591,685	357,831
<b>Cash and cash equivalents at end of year</b>	5(a)	<b>426,085</b>	591,685

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 2013

### 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 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

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

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 2013

### 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%

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 2013

### 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

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## Notes to the Financial Statements

For the Year Ended 30 June 2013

### 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 of the project.

#### (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 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.

#### (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.

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2013

### 1 Statement of Significant Accounting Policies continued

#### (l) Revenue continued

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)

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). The company registered for GST from 1 January 2012 and therefore revenue and expenses prior to that date are reported inclusive of GST.

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are included 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.

#### (n) Adoption of New and Revised Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. The company has not adopted these new standards and interpretations and it is not expected that their adoption will have a material impact on future financial statements.

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2013

### 2 Other Revenue

	2013	2012
	\$	\$
Interest received	20,162	15,087
Dividend income	20,788	20,495
<b>Total</b>	<b>40,950</b>	<b>35,582</b>

### 3 Profit for the Year

#### Expenses

(Reversal of impairment) / Impairment of financial assets to recoverable amount	(4,195)	21,360
Depreciation	1,633	644
Amortisation of intangible assets	4,471	4,471
<b>Total impairment, depreciation and amortisation</b>	<b>1,909</b>	<b>26,475</b>
Rental expense		
Rental expense for premises	10,433	11,091

### 4 Auditors' Remuneration

Remuneration of the auditor of the company for:

- Auditing or reviewing the financial report	9,030	8,850
- Other services	19,875	15,273
	<b>28,905</b>	<b>24,123</b>

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

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2013

### 5 Cash and Cash Equivalents

	2013	2012
	\$	\$
Cash at bank	67,531	374,533
Short-term bank deposits	358,554	217,152
	<u>426,085</u>	<u>591,685</u>

#### (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	426,085	591,685
	<u>426,085</u>	<u>591,685</u>

### 6 Trade and Other Receivables

CURRENT		
Sundry receivables	6,644	5,589
GST refund due	5,302	3,764
	<u>11,946</u>	<u>9,353</u>

### 7 Other Assets

CURRENT		
Prepayments	1,478	1,572
	<u>1,478</u>	<u>1,572</u>

### 8 Other financial assets designated at fair value

Available for sale financial assets	292,895	229,525
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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 2013

### 9 Property, Plant and Equipment

	2013 \$	2012 \$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	792	-
Accumulated depreciation	(40)	-
Total capital works in progress	752	-
Furniture, fixture and fittings		
At cost	2,417	2,417
Accumulated depreciation	(431)	(210)
Total furniture, fixture and fittings	1,986	2,207
Office equipment		
At cost	3,178	3,178
Accumulated depreciation	(1,806)	(434)
Total office equipment	1,372	2,744
<b>Total property, plant and equipment</b>	<b>4,110</b>	<b>4,951</b>



# Country Education Foundation of Australia Ltd

ACN 103 889 452

Notes to the Financial Statements

For the Year Ended 30 June 2013

## 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	-	2,207	2,744	4,951
Additions	792	-	-	792
Depreciation expense	(40)	(431)	(1,806)	(2,277)
<b>Balance at 30 June 2013</b>	<b>752</b>	<b>1,776</b>	<b>938</b>	<b>3,466</b>
<b>Prior year</b>				
Balance at the beginning of year	-	-	-	-
Additions	-	2,417	3,178	5,595
Depreciation expense	-	(210)	(434)	(644)
<b>Balance at 30 June 2012</b>	<b>-</b>	<b>2,207</b>	<b>2,744</b>	<b>4,951</b>

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2013

### 10 Intangible Assets

	2013	2012
	\$	\$
DVD development costs		
Cost	22,354	22,354
Less: Accumulated amortisation	(16,830)	(12,359)
Total Intangibles	<u>5,524</u>	<u>9,995</u>

### 11 Trade and Other Payables

CURRENT		
Unsecured liabilities		
PAYG Payable	12,147	8,374
	<u>12,147</u>	<u>8,374</u>

### 12 Provisions

	Employee entitlements
	\$
Opening balance at 1 July 2012	7,721
Additional provisions	<u>1,343</u>
Balance at 30 June 2013	<u>9,064</u>

#### Analysis of Total Provisions

	2013	2012
	\$	\$
Current	5,617	4,607
Non-current	<u>3,447</u>	<u>3,114</u>
	<u>9,064</u>	<u>7,721</u>

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2013

### 13 Other Liabilities

	2013	2012
	\$	\$
CURRENT		
Unexpended monies from funding partners	<b>38,495</b>	38,660

### 14 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.

### 15 Cash Flow Information

#### Reconciliation of Cash Flow from Operations with Profit after Income Tax

Net income/(loss) for the period	<b>(169,168)</b>	213,984
Depreciation	<b>1,909</b>	644
Impairment losses/(reversals) on investments	-	21,360
Amortisation of intangibles	-	4,471
Changes in assets and liabilities:		
(Increase)/decrease in trade and term receivables	<b>(2,593)</b>	(4,480)
(Increase)/decrease in prepayments	<b>94</b>	(983)
Increase/(decrease) in trade payables and accruals	<b>3,772</b>	1,163
Increase/(decrease) in other liabilities	<b>(165)</b>	1,660
Increase/(decrease) in provisions	<b>1,343</b>	1,630
Cashflow from/(used in) operations	<b>(164,808)</b>	239,449

# Country Education Foundation of Australia Ltd

ACN 103 889 452

## Notes to the Financial Statements

For the Year Ended 30 June 2013

### 16 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.

### 17 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 2013 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

22 October 2013

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