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AND FAMILIES.
AND COMMUNITIES.



Country Education Foundation of Australia Ltd
ACN 103 889 452

Financial Statements
For the Year Ended 30 June 2017

Country Education Foundation of Australia Ltd

ACN 103 889 452

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For the Year Ended 30 June 2017

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Directors' Report

30 June 2017

The directors present their report on Country Education Foundation of Australia Ltd for the financial year ended 30 June 2017.

General information

Directors

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

Names	Position	Appointed/Resigned
Mr Nicholas Burton Taylor AM FCA	Chairman	
Mrs Julia Burton Taylor OAM	Secretary	
Mr David Smithers AM FCA	Treasurer	
Mrs Catherine Walker	Director	
Mr Stuart Black AM FCA	Director	
Mr Richard Rains	Director	Appointed 14 September 2016
Mr Guy Milson	Treasurer	Resigned 14 September 2016
Mr Michael Boyce FCA	Director	Resigned 14 September 2016

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

Principal activities and significant changes in nature of activities

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

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

There were no significant changes in the nature of Country Education Foundation of Australia Ltd's principal activities during the financial year.

Operating results and review of operations for the year

Operating results

The surplus for the year amounted to \$ 69,148 (2016: \$ 42,702).

Country Education Foundation of Australia Ltd

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Directors' Report

30 June 2017

Operating results and review of operations for the year

Review of operations

During the year ended 30 June 2017 the Country Education Foundation of Australia continued to raise funds for investment in the education of regional students, in a very competitive fundraising environment. The support of universities, private and corporate foundations and individual donors made possible the continuation of this important work.

The funds raised have, as in past years, been distributed to students through a network of over 40 local Committees which are supported by their many loyal volunteers.

The costs of operations have also been carefully managed throughout the year

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 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.

Information on directors

Mr Nicholas Burton Taylor AM FCA	Chairman
Qualifications	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); 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 OAM	Secretary
Experience	Founding member of the Country Education Foundation of Australia and a committee member of the Boorowa Education Foundation; Director of Hillgrove Pastoral Company; Partner Kennys Creek Angus.

Country Education Foundation of Australia Ltd

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Directors' Report

30 June 2017

Information on directors

Mrs Catherine Walker Experience	Director Member of Yass District Education Foundation; 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.
Mr David Smithers AM FCA Qualifications Experience	Treasurer FCA Director of James N. Kirby Foundation Pty Ltd and Genea Ltd and former Chairman of PwC and Member of Global PwC Board. He is a Fellow of the Institute of Chartered Accountants and the Australian Institute of Company Directors. David is also a past President of the Institute of Chartered Accountants in Australia and former Executive General Manager of Leighton Holdings, as well as previous director of Sydney Olympics 2000 Bid Limited and Chairman of its Finance Commission.
Mr Stuart Black AM FCA Qualifications Experience	Director FCA Chartered Accountant and experienced company director. A former managing partner of a chartered accounting firm and a past president of the Institute of Chartered Accountants in Australia, he has extensive experience in agribusiness and rural and regional issues. Stuart is currently a non-executive director and chair of the audit and risk committees of Australian Agricultural Company Limited, NetComm Wireless Ltd and TPI Enterprises Limited. He was previously a non-executive Director of Coffey International Limited. He chairs the Chartered Accountants Benevolent Foundation Ltd. Mr Black is a former chair and director of the Accounting Professional and Ethical Standards Board.
Mr Guy Milson Qualifications Experience	Treasurer (resigned 14 September 2016) B. Economics, University of Sydney Chair of Goulburn and District Education Fund; Principal of Cardross Goulburn and other agricultural properties; Management of private family investment companies.

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Directors' Report

30 June 2017

Information on directors

Mr Michael Boyce FCA	Director (Resigned 14 September 2016)
Qualifications	FCA, FAICD; B. Com
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 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.
Mr Richard Rains	Director
Experience	Director, Paraway Pastoral Co, Former Director; Certified Angus Group 2013 - 2017; Former Member of Industry Steering Group for Australia Beef Industry Sustainability Framework 2016 - 2017; 2012 Australian Export Heroes Award; Sanger Australia 1976 - 2013 (CEO from 2000 - 2013); Former Director, Arcadian Organic & Natural Meat Co 2005 - 2015; Former Director, Co-operative Research Centre for Beef Genetic Technologies 2008 - 2012; Former Member of Advisory Board, Australian Export Council 2013 - 2015.

Meetings of directors

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr Nicholas Burton Taylor AM FCA	4	4
Mrs Julia Burton Taylor OAM	4	4
Mrs Catherine Walker	4	4
Mr David Smithers AM FCA	4	4
Mr Stuart Black AM FCA	4	3
Mr Guy Milson	2	2
Mr Michael Boyce FCA	2	2
Mr Richard Rains	3	3


Country Education Foundation of Australia Ltd

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Directors' Report

30 June 2017

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



Director:

Mr Nicholas Burton Taylor AM FCA



Director:

Mr David Smithers AM FCA

Dated 21 November 2017

Independent Auditor's Report to the members of Country Education Foundation of Australia Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Country Education Foundation of Australia Ltd (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit of 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 directors' declaration.

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

- (i) giving a true and fair view of the company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the Directors' Report, (but does not include the financial report and our auditor's report thereon).

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the company'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 judgment 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the directors' 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 company'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 company 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 the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Katherine M Kelly
Director
Boyce Assurance Services Pty Ltd

Cooma
21 November 2017

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Country Education Foundation of Australia Ltd

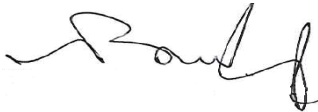
ACN 103 889 452

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 - 27, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2017 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 FCA



Director
Mr David Smithers AM FCA

Dated 21 November 2017

Country Education Foundation of Australia Ltd

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Directors' Declaration under the Charitable Fundraising Act 1991

The directors declare that in their opinion:

- (a) the statement of profit and loss and other comprehensive income gives a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals, and
- (b) the statement of financial position gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals conducted by the organisation, and
- (c) the provisions of the Act, the regulations under the Act and the conditions attached to the authority have been complied with by the organisation and
- (d) the internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

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

Director
Mr Nicholas Burton Taylor AM FCA

Director
Mr David Smithers AM FCA

Dated 21 November 2017

Country Education Foundation of Australia Ltd

ACN 103 889 452

Statement of Profit of Loss and Other Comprehensive Income For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
REVENUE			
Donations - Education partners		174,800	174,850
Donations - General		1,055,490	962,045
Donations - Administration		17,513	26,790
Donations - Projects		48,527	203,998
Fundraising events		156,755	175,183
Gain on disposal of assets		-	305
Investment income		29,137	31,144
Services revenue		97,613	47,881
Total revenue		<u>1,579,835</u>	<u>1,622,196</u>
EXPENDITURE			
Students and regional foundations			
Student funding		734,123	807,198
Student resources		24,841	32,841
Other programs to support students		195,299	291,179
Total students and regional foundations		<u>954,263</u>	<u>1,131,218</u>
National office network support			
Advocacy and community education		106,509	85,273
Fundraising events		67,179	22,704
Fundraising		108,273	128,591
Accounting and administration		246,160	179,874
Depreciation, amortisation and impairments	4	28,303	31,834
Total national office network support		<u>556,424</u>	<u>448,276</u>
Total expenses		<u>1,510,687</u>	<u>1,579,494</u>
Surplus / (deficit) for the year		<u>69,148</u>	<u>42,702</u>
Other comprehensive income			
Net fair value movements for available-for-sale financial assets		12,580	(17,993)
Total comprehensive income for the year		<u>81,728</u>	<u>24,709</u>

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 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	725,165	537,709
Trade and other receivables	6	14,911	21,543
Inventories	7	6,191	6,287
Other assets	8	6,265	5,313
TOTAL CURRENT ASSETS		<u>752,532</u>	<u>570,852</u>
NON-CURRENT ASSETS			
Other assets	8	1,946	1,946
Financial assets	9	304,794	283,736
Property, plant and equipment	10	7,021	6,408
Intangible assets	11	53,503	87,741
TOTAL NON-CURRENT ASSETS		<u>367,264</u>	<u>379,831</u>
TOTAL ASSETS		<u>1,119,796</u>	<u>950,683</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	26,141	84,052
Other liabilities	13	297,674	160,825
Employee benefits	14	9,593	24,146
TOTAL CURRENT LIABILITIES		<u>333,408</u>	<u>269,023</u>
NON-CURRENT LIABILITIES			
Other liabilities	13	57,500	34,500
TOTAL NON-CURRENT LIABILITIES		<u>57,500</u>	<u>34,500</u>
TOTAL LIABILITIES		<u>390,908</u>	<u>303,523</u>
NET ASSETS		<u>728,888</u>	<u>647,160</u>
EQUITY			
Reserves		89,082	76,502
Retained earnings		639,806	570,658
TOTAL EQUITY		<u>728,888</u>	<u>647,160</u>

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 2017

2017

	Retained earnings	Financial asset reserve	Total
	\$	\$	\$
Balance at 01 July 2016	570,658	76,502	647,160
Surplus / (deficit) attributable to members	69,148	-	69,148
Revaluation increment (decrement)	-	12,580	12,580
Balance at 30 June 2017	639,806	89,082	728,888

2016

	Retained earnings	Financial asset reserve	Total
	\$	\$	\$
Balance at 01 July 2015	527,956	94,495	622,451
Surplus / (deficit) attributable to members	42,702	-	42,702
Revaluation increment (decrement)	-	(17,993)	(17,993)
Balance at 30 June 2016	570,658	76,502	647,160

The accompanying notes form part of these financial statements.

Country Education Foundation of Australia Ltd

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Statement of Cash Flows For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from donations and customers	1,717,179	1,602,841
Payments to suppliers, beneficiaries and employees	(1,555,704)	(1,527,266)
Dividends received	23,745	23,380
Interest received	5,392	7,764
Net cash provided by/(used in) operating activities	16 <u>190,612</u>	<u>106,719</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	500
Purchase of property, plant and equipment	10(a) (3,156)	(2,365)
Purchase of intangible assets	-	(72,760)
Payment for financial assets	-	(8,338)
Net cash used by investing activities	<u>(3,156)</u>	<u>(82,963)</u>
Net increase/(decrease) in cash and cash equivalents held	187,456	23,756
Cash and cash equivalents at beginning of year	537,709	513,953
Cash and cash equivalents at end of financial year	5 <u>725,165</u>	<u>537,709</u>

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 2017

The financial report covers Country Education Foundation of Australia Ltd as an individual entity. Country Education Foundation of Australia Ltd is company limited by guarantee, registered and domiciled in Australia. The company is also a registered charity with the Australian Charities and Not-for-profits Commission Act 2012.

The functional and presentation currency of Country Education Foundation of Australia Ltd is Australian dollars.

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*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

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.

(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.

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

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of significant accounting policies

(c) Revenue and other income

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.

Grant revenue

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

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

Donations

Donations and bequests are recognised as revenue when received, unless the donation has been provided with specific performance obligations attached such as the provision of a scholarship.

When donations are received whereby the Country Education Foundation incurs an obligation to deliver funds in accordance with the conditions imposed by the contributor, this is considered a reciprocal transaction and the donation is recognised in the statement of financial position as a liability until the funds have been expended as instructed.

Interest revenue

Interest is recognised using the effective interest method.

Dividend revenue

Dividends are recognised when the entity's right to receive payment is established. 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 dividend's expected payment date.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of significant accounting policies

(c) Revenue and other income

Rendering of services

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

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 payables 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 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) Inventories

Inventories are carried at the lower of cost and net realisable value.

(f) Plant and equipment

Each class of plant and equipment is carried at cost 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.

Depreciation

Plant and equipment is depreciated on a reducing balance basis over the assets useful life to the company, commencing when the asset is ready for use.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of significant accounting policies

(f) Plant and equipment

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

Fixed asset class	Depreciation rate
Plant and equipment	20% - 40%
Furniture, fixtures and fittings	10%
Office equipment	10% - 66.67%

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.

(g) Financial instruments

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:

- receivables; and
- available-for-sale financial assets.

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.

Receivables

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 amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of significant accounting policies

(g) Financial instruments

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.

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.

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.

Impairment on receivables is reduced through the use of a provision for doubtful debts. All other impairment losses on financial assets at amortised cost are deducted from the value of the asset.

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

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(h) Intangibles

Intangibles are comprised of website development costs that are deemed to have a finite life and are carried at cost less any accumulated amortisation and impairment losses. The website has an estimated useful life of between three and four years.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of significant accounting policies

(h) Intangibles

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Cash and cash equivalents

Cash and cash equivalents comprise 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.

(j) 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.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2017

3 Critical accounting estimates and judgments

The directors make estimates and judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgments 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 judgments made have been described below.

Accounting for grant income

The application of AASB 1004 Contributions and the new AASB 1058 Income of Not-for-profit Entities has been considered 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.

The conditions attached to grants received have been reviewed against the above criteria. Based upon this review the below unexpended portions of grants have been categorised as liabilities in the statement of financial position:

		2017	2016
Scholarship and other programme partners			
Eureka Benevolent Foundation		9,245	27,739
Loder Foundation		103,500	80,500
Origin Foundation		15,750	15,750
James N Kirby Foundation		50,000	-
McLean Foundation		9,348	7,761
The Snow Foundation		25,000	-
Audi Foundation		55,000	-
		267,843	131,750
Education partners			
Universities		57,552	63,575
		325,395	195,325
Current liability	13	267,895	160,825
Non-current liability	13	57,500	34,500
		325,395	195,325

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Notes to the Financial Statements

For the Year Ended 30 June 2017

4 Result for the year

The result for the year includes the following specific expenses:

	2017	2016
	\$	\$
Employee costs	504,866	535,941
Depreciation, amortisation and impairments		
Impairment/(reversal) on financial assets	(8,478)	16,425
Depreciation expense	10(a) 2,543	5,421
Amortisation of intangible assets	11(a) 34,238	9,988
	<u>28,303</u>	<u>31,834</u>
Rental expense on operating leases:		
- National office rent	25,392	22,379
5 Cash and cash equivalents		
Cash at bank	495,350	211,118
Short-term bank deposits	229,815	326,591
	<u>725,165</u>	<u>537,709</u>
6 Trade and other receivables		
CURRENT		
Trade receivables	3,375	7,550
GST receivable	4,633	6,979
Franking credits receivable	6,903	7,014
	<u>14,911</u>	<u>21,543</u>
7 Inventories		
CURRENT		
At cost:		
Merchandise	6,191	6,287
	<u>6,191</u>	<u>6,287</u>
8 Other assets		
CURRENT		
Prepayments	6,265	5,313
	<u>6,265</u>	<u>5,313</u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

8 Other assets

	2017	2016
	\$	\$
NON-CURRENT		
Deposit	1,946	1,946
	<u>1,946</u>	<u>1,946</u>

9 Financial assets

Available for sale financial assets

NON-CURRENT		
Shares in listed companies	304,794	283,736
	<u>304,794</u>	<u>283,736</u>

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

10 Property, plant and equipment

PLANT AND EQUIPMENT

Plant and equipment		
At cost	1,853	1,853
Accumulated depreciation	(1,088)	(831)
Total plant and equipment	<u>765</u>	<u>1,022</u>
Furniture, fixtures and fittings		
At cost	2,766	2,417
Accumulated depreciation	(1,160)	(970)
Total furniture, fixtures and fittings	<u>1,606</u>	<u>1,447</u>
Office equipment		
At cost	16,111	13,332
Accumulated depreciation	(11,461)	(9,393)
Total office equipment	<u>4,650</u>	<u>3,939</u>
	<u>7,021</u>	<u>6,408</u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

10 Property, plant and equipment

(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 \$
Year ended 30 June 2017				
Balance at the beginning of year	1,022	1,447	3,939	6,408
Additions	-	-	3,156	3,156
Transfers	2	329	(331)	-
Depreciation expense	(259)	(170)	(2,114)	(2,543)
Balance at the end of the year	765	1,606	4,650	7,021

11 Intangible assets

	2017 \$	2016 \$
Website development costs		
Cost	112,710	112,710
Accumulated amortisation	(59,207)	(24,969)
	53,503	87,741

(a) Movements in carrying amounts of intangible assets

	Website development costs \$
Year ended 30 June 2017	
Opening balance	87,741
Amortisation	(34,238)
Closing value at 30 June 2017	53,503

Country Education Foundation of Australia Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2017

12 Trade and other payables

	2017	2016
	\$	\$
CURRENT		
Trade payables	10,322	68,672
Sundry payables and accrued expenses	3,254	-
Superannuation payable	5,120	6,912
PAYG payable	7,445	8,467
	<u>26,141</u>	<u>84,052</u>

13 Other liabilities

CURRENT		
Unexpended monies from funding partners	267,895	160,825
Committee in formation funds held*	29,779	-
	<u>297,674</u>	<u>160,825</u>
NON-CURRENT		
Unexpended monies from funding partners	57,500	34,500
	<u>57,500</u>	<u>34,500</u>

* These are funds held and auspiced by the National Network Support Office on behalf of local foundations that were established during the 2017 financial year, but have not yet been able to finalise their incorporation status as at 30 June 2017. These funds, represented by donations received, will be disbursed to the local foundations in the 2018 financial year.

14 Employee benefits

CURRENT		
Provision for annual leave	9,593	24,146
	<u>9,593</u>	<u>24,146</u>

Country Education Foundation of Australia Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2017

15 Leasing commitments

	2017	2016
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	26,303	21,407
- between one year and five years	24,111	-
	<u>50,414</u>	<u>21,407</u>

The company's operating lease commitments relate to the rental of commercial office space in Orange, New South Wales. The lease period is two years ending on 31 May 2019.

16 Cash flow information

Reconciliation of result for the year to cashflows from operating activities

Surplus / (deficit) for the year	69,148	42,702
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus:		
- amortisation	34,238	9,988
- depreciation	2,543	5,421
- impairment of financial assets	(8,478)	16,425
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	6,632	37,474
- (increase)/decrease in prepayments	(952)	4,212
- (increase)/decrease in inventories	96	(4,087)
- increase/(decrease) in trade and other payables	(57,911)	51,973
- increase/(decrease) in other liabilities	159,849	(69,779)
- increase/(decrease) in employee benefits	(14,553)	12,390
Cashflows from operations	<u>190,612</u>	<u>106,719</u>

17 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the company is \$ 153,835 (2016: \$ 153,576).

18 Related party transactions

During the financial year there were no transactions with related parties other than the receipt of donations.

19 Contingencies

In the opinion of the directors, the company did not have any contingencies at 30 June 2017 (30 June 2016:None).

Country Education Foundation of Australia Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2017

20 Events after the end of the Reporting Period

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.

21 Statutory Information

The registered office of the company is:

Country Education Foundation of Australia Ltd
Unit 4 23 Sale Street
ORANGE NSW 2800

Country Education Foundation of Australia Ltd

ACN 103 889 452

Auditor's Independence Declaration To the Directors of Country Education Foundation of Australia Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in 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.



Katherine M Kelly
Director
Boyce Assurance Services Pty Ltd

Cooma

21 November 2017

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