



COUNTRY EDUCATION FOUNDATION
OF AUSTRALIA LTD ACN 103 889 452

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 2019



Country Education Foundation of Australia Ltd

ACN 103 889 452

Contents

For the Year Ended 30 June 2019

	Page
Financial Statements	
Directors' Report	1
Independent Auditor's Report	5
Directors' Declaration	8
Directors' Declaration under the Charitable Fundraising Act 1991	9
Statement of Profit of Loss and Other Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14
Auditor's Independence Declaration	27

Directors' Report

30 June 2019

The directors present their report on Country Education Foundation of Australia Ltd for the financial year ended 30 June 2019.

(a) 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	Resigned 21 November 2018
Mr Richard Rains	Director	
Mr Oscar Oberg	Director	Resigned 4 February 2019
Mrs Peita Burton Taylor	Director	
Mr Dougal Geddes	Director	Appointed 3 September 2019

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.

(b) Operating results and review of operations for the year

Operating results

The operating surplus for the year ended 30 June 2019 amounted to \$821,016 (2018: \$480,569).

Directors' Report

30 June 2019

(b) Operating results and review of operations for the year

Review of operations

During the year ended 30 June 2019 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.

(c) 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

Qualifications

Experience

Chairman

FCA

Founding Chairman of Country Education Foundation of Australia; Boorowa Education Foundation; Principal of Hillgrove Pastoral, Founder and former Managing Director of Hays Personnel (Australia); Director of Bush Heritage Australia and MH Premium Farms, Chancellor Southern Cross University September 2014; Past Chairman of Delta Agribusiness, 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 Chartered Accountants Australia and New Zealand.

Mrs Julia Burton Taylor OAM

Experience

Secretary

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

ACN 103 889 452

Directors' Report

30 June 2019

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; 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, former director of Genea Ltd, former Chairman of PwC and Member of Global PwC Board. Fellow of Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors. Past President of Chartered Accountants Australia and New Zealand and former Executive General Manager of Leighton Holdings, former director of Sydney Olympics 2000 Bid Limited and Chairman of its Finance Commission.

Mrs Peita Burton Taylor

Qualifications

Experience

Director

MEvM, BA

CEO, Burton Taylor Foundation; Founding family member Country Education Foundation of Australia; Marketing Manager, Kenny's Creek Angus; Producer, Jack Morton Worldwide.

Mr Richard Rains

Experience

Director

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; Chairman, Zanda McDonald Award.

Directors' Report

30 June 2019

Information on directors

Mr Dougal Geddes

Qualifications

Experience

Director

Bachelor of Commerce 1976 (Accounting); Bachelor of Laws 1978 (UNSW)

Principal of Foulsham & Geddes from 1982 to 2015; and continue to be a consultant to the firm; Member of the Law Society of New South Wales Ethics Committee 2000 - 2001 and 2004 - 2007; Member of the Law Society of New South Wales Practice & Conduct Committee 2002 - 2003; Member of the Law Society of New South Wales Succession & Elder Law Committee 2008 - 2015; Starlight Foundation: Volunteer Management Service provider 2001 - 2003; Sydney City Mission: Mentor in Catalyst Program 2009 - 2012; Trustee of The Airmen's Foundation of Papua New Guinea 1998 - 2019.

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	3
Mr David Smithers AM FCA	4	4
Mr Stuart Black AM FCA	3	3
Mr Oscar Oberg	3	-
Mrs Peita Burton Taylor	4	4
Mr Richard Rains	4	2

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 29 October 2019

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 2019, 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 2019 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.

167 Brisbane Street
PO Box 1100
Dubbo NSW 2830

www.boyceca.com

Cooma Dubbo Goulburn Moree Wagga Wagga

P 02 6884 6499
F 02 6882 6030
E info@dubbo@boyceca.com



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.

167 Brisbane Street
PO Box 1100
Dubbo NSW 2830

www.boyceca.com

Cooma Dubbo Goulburn Moree Wagga Wagga

P 02 6884 6499
F 02 6882 6030
E info@dubbo@boyceca.com



Knowledge. Insight. Experience.

- 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.



Caroline A Wilcher
Director
Boyce Assurance Services Pty Ltd

Dubbo
Dated 29 October 2019

167 Brisbane Street
PO Box 1100
Dubbo NSW 2830

P 02 6884 6499
F 02 6882 6030
E infodubbo@boyceca.com

www.boyceca.com

Cooma Dubbo Goulburn Moree Wagga Wagga



Knowledge. Insight. Experience.

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 10 to 26, 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 2019 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 29 October 2019

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 held by the organisation 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 29 October 2019

Statement of Profit of Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
REVENUE			
Education partners cofunding		335,457	153,250
Donations - General		1,261,221	1,136,680
Donations - Administration		21,628	20,843
Donations - Projects		165,601	142,591
Donations - Special purpose		770,000	472,000
Events and merchandising		55,994	78,257
Services revenue		159,031	106,830
Investment and other income		65,072	32,714
Total revenue		2,834,004	2,143,165
EXPENDITURE			
Students and regional foundations		1,472,177	1,222,349
National office network support			
Advocacy and community education		95,865	79,902
Fundraising events		17,988	29,268
Fundraising overhead		115,788	55,401
Administrative expenses		281,535	248,599
Depreciation, amortisation and impairments	5	26,966	27,077
Net fair value (gains)/losses on financial assets		2,669	-
Total national office network support		540,811	440,247
Total expenses		2,012,988	1,662,596
Surplus / (deficit) for the year		821,016	480,569
Other comprehensive income			
Net fair value movements for available-for-sale financial assets		-	(11,492)
Total comprehensive income for the year		821,016	469,077

The accompanying notes form part of these financial statements.

Statement of Financial Position

30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,012,567	698,220
Cash held for special purposes	6	-	472,000
Trade and other receivables	7	16,280	14,991
Inventories	8	-	6,127
Other assets	9	16,757	9,739
TOTAL CURRENT ASSETS		<u>1,045,604</u>	<u>1,201,077</u>
NON-CURRENT ASSETS			
Financial assets	10	295,889	298,558
Property, plant and equipment	11	1,058,480	3,906
Intangible assets	12	-	24,258
TOTAL NON-CURRENT ASSETS		<u>1,354,369</u>	<u>326,722</u>
TOTAL ASSETS		<u>2,399,973</u>	<u>1,527,799</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	29,018	33,677
Other liabilities	14	322,522	254,209
Employee benefits	15	10,953	18,948
TOTAL CURRENT LIABILITIES		<u>362,493</u>	<u>306,834</u>
NON-CURRENT LIABILITIES			
Other liabilities	14	18,500	23,000
TOTAL NON-CURRENT LIABILITIES		<u>18,500</u>	<u>23,000</u>
TOTAL LIABILITIES		<u>380,993</u>	<u>329,834</u>
NET ASSETS		<u>2,018,980</u>	<u>1,197,965</u>
EQUITY			
Reserves		-	77,590
Retained earnings		2,018,980	1,120,375
TOTAL EQUITY		<u>2,018,980</u>	<u>1,197,965</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 2019

2019

	Retained earnings	Financial asset reserve	Total
Note	\$	\$	\$
Balance at 1 July 2018	1,120,375	77,590	1,197,965
Surplus / (deficit) attributable to members	821,016	-	821,016
Adjustment from the adoption of AASB 9	77,590	(77,590)	-
Balance at 30 June 2019	2,018,980	-	2,018,980

2018

	Retained earnings	Financial asset reserve	Total
	\$	\$	\$
Balance at 1 July 2017	639,806	89,082	728,888
Surplus / (deficit) attributable to members	480,569	-	480,569
Revaluation increment (decrement)	-	(11,492)	(11,492)
Balance at 30 June 2018	1,120,375	77,590	1,197,965

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		2,831,455	2,032,406
Payments to suppliers, beneficiaries and employees		(1,996,898)	(1,620,090)
Dividends received		37,692	23,781
Interest received		15,135	8,958
Rental income		13,771	-
Net cash provided by/(used in) operating activities	18	901,155	445,055
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	11(a)	(1,058,808)	-
Net cash used by investing activities		(1,058,808)	-
Net increase/(decrease) in cash and cash equivalents held		(157,653)	445,055
Cash and cash equivalents at beginning of year		1,170,220	725,165
Cash and cash equivalents at end of financial year	6	1,012,567	1,170,220

Notes to the Financial Statements

For the Year Ended 30 June 2019

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 2019

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

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

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.

Other income

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

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of significant accounting policies

(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 at fair value.

Depreciation

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

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%
At cost	50% - 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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of significant accounting policies

(g) Financial instruments

Financial assets

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

Classification

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

- amortised cost; and
- fair value through profit or loss

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

Amortised cost

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

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

Interest income and impairment is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

The company's financial assets measured at fair value through profit or loss comprise shares in listed companies in the statement of financial position.

Financial liabilities

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

The financial liabilities of the company comprise trade payables.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Summary of significant accounting policies

(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.

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.

3 Critical accounting estimates and judgements

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.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Critical accounting estimates and judgements

Accounting for grant income

The application of AASB 15 Revenue and AASB 1058 Income of Not-for-profit Entities has been considered in regard to grant monies received (primarily for scholarships). The accounting standard generally require 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:

	Note	2019 \$	2018 \$
Scholarship and other program partners			
Eureka Foundation		1,078	-
Liveris Foundation		14,000	-
Audi Foundation		20,000	15,000
Thyne Reid Foundation		9,000	-
James N Kirby Foundation		-	10,879
Loder Foundation		46,000	80,500
McLean Foundation		9,367	18,535
Origin Foundation		14,500	15,750
Alinta Foundation		25,000	-
Raymond E Purves Foundation		40,000	23,800
The Snow Foundation		-	25,000
WVLX Western Victoria		2,800	2,800
		181,745	192,264
Education partners			
Universities		157,777	83,445
		339,522	275,709
Current liability	14	321,022	252,709
Non-current liability	14	18,500	23,000
		339,522	275,709

Notes to the Financial Statements

For the Year Ended 30 June 2019

4 Change in accounting policy

On 1 July 2018 the company commenced application of the new accounting standard, AASB 9 Financial Instruments. At the date of initial application the directors made the determination to irrevocably designate the company's portfolio of shares in listed companies as 'Financial assets at fair value through profit or loss'.

Under the previous AASB 139 shares in listed companies were classified 'Available for sale' financial assets with changes in fair value recognised through other comprehensive income. Under the new designation applied from 1 July 2018, changes in the fair value of shares in listed companies are recognised in profit and loss. As a result of this change in accounting policy, the cumulative gains and losses previously recognised in other comprehensive income have been reclassified from equity to profit and loss on 1 July 2018 through a reversal of the financial asset reserve against retained earnings in the statement of changes in equity.

5 Result for the year

The result for the year includes the following specific expenses:

	2019	2018
	\$	\$
Employee costs - salaried staff	548,519	523,771
Depreciation, amortisation and impairments		
Impairment/(reversal) on financial assets	-	(5,257)
Depreciation expense	11(a) 2,708	3,090
Amortisation of intangible assets	12(a) 24,258	29,244
	26,966	27,077

6 Cash and cash equivalents

Cash and cash equivalents	1,012,567	698,220
Cash held for special purposes	-	472,000
	1,012,567	1,170,220

7 Trade and other receivables

CURRENT		
Trade receivables	5,171	7,983
Franking credits receivable	11,109	7,008
	16,280	14,991

8 Inventories

CURRENT		
At cost:		
Merchandise	-	6,127
	-	6,127

Notes to the Financial Statements

For the Year Ended 30 June 2019

9 Other assets

	2019 \$	2018 \$
CURRENT		
Prepayments	14,811	7,793
Deposits	1,946	1,946
	16,757	9,739

10 Financial assets

NON-CURRENT		
Shares in listed companies	295,889	298,558
	295,889	298,558

Investments are recorded at their net market value at year end. Shares in listed companies are valued based on cum dividend market returns.

11 Property, plant and equipment

LAND AND BUILDINGS		
At cost	1,051,352	-
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	4,912	1,853
Accumulated depreciation	(1,877)	(1,273)
Total plant and equipment	3,035	580
Furniture, fixtures and fittings		
At cost	123	2,766
Accumulated depreciation	(36)	(1,321)
Total furniture, fixtures and fittings	87	1,445
Office equipment		
At cost	15,753	14,522
Accumulated depreciation	(11,747)	(12,641)
Total office equipment	4,006	1,881
Total plant and equipment	7,128	3,906
Total property, plant and equipment	1,058,480	3,906

Notes to the Financial Statements

For the Year Ended 30 June 2019

11 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

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

	Land and buildings \$	Plant and equipment \$	Furniture, fixtures and fittings \$	Office equipment \$	Total \$
Year ended 30 June 2019					
Balance at the beginning of year	-	580	1,445	1,881	3,906
Additions	1,051,352	3,648	-	3,808	1,058,808
Disposals	-	(57)	(1,214)	(255)	(1,526)
Depreciation expense	-	(1,136)	(144)	(1,428)	(2,708)
Balance at the end of the year	1,051,352	3,035	87	4,006	1,058,480
	Land \$	Plant and Equipment \$	Furniture, fixtures and fittings \$	At cost \$	Total \$
Year ended 30 June 2018					
Balance at the beginning of year	-	765	1,606	4,650	7,021
Disposals	-	-	-	(25)	(25)
Depreciation expense	-	(185)	(161)	(2,744)	(3,090)
Balance at the end of the year	-	580	1,445	1,881	3,906

Notes to the Financial Statements

For the Year Ended 30 June 2019

12 Intangible assets

	2019 \$	2018 \$
Website development costs		
Cost	72,753	112,710
Accumulated amortisation	(72,753)	(88,452)
	-	24,258

(a) Movements in carrying amounts of intangible assets

	Website development costs \$
Year ended 30 June 2019	
Opening balance	24,258
Amortisation	(24,258)
Closing value at 30 June 2019	-

13 Trade and other payables

CURRENT

Trade payables	1,350	12,015
GST payable	7,534	2,814
Sundry payables and accrued expenses	4,957	3,342
Superannuation payable	5,721	5,781
PAYG payable	9,456	9,726
	29,018	33,677

Notes to the Financial Statements

For the Year Ended 30 June 2019

14 Other liabilities

	2019 \$	2018 \$
CURRENT		
Unexpended monies from funding partners	321,022	252,709
Committee in formation funds held	1,500	1,500
	322,522	254,209
NON-CURRENT		
Unexpended monies from funding partners	18,500	23,000
	18,500	23,000

15 Employee benefits

CURRENT		
Provision for annual leave	10,953	18,948
	10,953	18,948

16 Capital commitments

Capital commitments of \$68,174 were contracted as at 30 June 2019 for the refurbishment of offices at 52 Hill Street Orange. All capital commitments are expected to be settled within 12 months.

Notes to the Financial Statements

For the Year Ended 30 June 2019

17 Leasing commitments

	2019 \$	2018 \$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	24,111
	-	24,111

The company's operating lease commitments relate to the rental of commercial office space in Orange, New South Wales. The lease period was two years which ended on 31 May 2019. The lease has not been renewed.

18 Cash flow information

Reconciliation of result for the year to cash flows from operating activities

Surplus / (deficit) for the year	821,016	480,569
Cash flows excluded from surplus attributable to operating activities		
Non-cash flows in surplus:		
- amortisation	24,258	29,245
- depreciation	2,708	3,090
- impairment/(reversals) of financial assets	(30,670)	(5,257)
- net fair value losses on financial assets	33,339	-
- net loss on disposal of property, plant and equipment	1,526	25
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(1,288)	(79)
- (increase)/decrease in prepayments	(7,018)	(1,528)
- (increase)/decrease in inventories	6,127	64
- increase/(decrease) in trade and other payables	(4,659)	7,536
- increase/(decrease) in other liabilities	63,813	(77,965)
- increase/(decrease) in employee benefits	(7,995)	9,355
Cash flows from operations	901,155	445,055

19 Key management personnel remuneration

The total remuneration paid to key management personnel of the company during the 30 June 2019 reporting period was \$153,213 (2018: \$149,468).

20 Related party transactions

During the 30 June 2019 financial year there were no transactions with related parties other than the receipt of donations.

Country Education Foundation of Australia Ltd

ACN 103 889 452

Notes to the Financial Statements

For the Year Ended 30 June 2019

21 Contingencies

In the opinion of the directors, the company did not have any contingent liabilities at at 30 June 2019 (2018:None).

22 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.

23 Statutory Information

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

Country Education Foundation of Australia Ltd
"Hillgrove"
BOOROWA NSW 2586

The principal place of business is:

Country Education Foundation of Australia Ltd
52 Hill 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 2019, 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.



Caroline A Wilcher
Director
Boyce Assurance Services Pty Ltd

Dubbo

Dated 29 October 2019

167 Brisbane Street
PO Box 1100
Dubbo NSW 2830

P 02 6884 6499
F 02 6882 6030
E info@dubbo@boyceca.com

www.boyceca.com

Cooma Dubbo Goulburn Moree Wagga Wagga



Knowledge. Insight. Experience.