

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
RURAL ALIVE & WELL INC**

Scope

We have audited the financial report, being a special purpose financial report, for Rural Alive & Well Inc for the year ended 30 June 2023. The Committee is responsible for the financial report and has determined that the accounting policies used are appropriate to meet the needs of the Associations Incorporation Act (Tas) 1964 and the needs of the members. We have conducted an independent audit of this financial report in order to express an opinion on it to the members. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for the purpose of fulfilling the requirements of the Associations Incorporation Act (Tas) 1964. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respect, the financial report is presented so as to present a view which is consistent with our understanding of the Association's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Australian Accounting Standards and other mandatory professional reporting requirements.

As an audit procedure it was not practicable to extend our examinations of income beyond the accounting for amounts received as shown by the books and records of the association. It is the responsibility of the committee of management to ensure that proper control and supervision is maintained over the control of receipts and payments.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion:

- a) the financial statements referred to above are properly drawn up so as to give a true and fair view of the state of affairs of the association as at , and of its results for the year then ended in all material respects, according to the information at our disposal, the explanations given to us and as shown by the accounting records.
- b) the rules relating to the administration for the funds of the association have been observed; and
- c) the association has kept proper records and other books during the period covered by these accounts.

PREECE ACCOUNTING



Craig J Preece  
Dated at Launceston this 27<sup>th</sup> day of September 2023

**Rural Alive & Well Inc.**  
**Income & Expenditure Statement**  
for the year ended 30 June 2023

	Note	2023 \$	2,022 \$
<b>Income</b>			
Activities Income		900	1,560
Donations		140,709	72,394
Sponsorship		124,288	30,000
Grants	2	2,202,863	2,190,966
Interest Received		-	198
Training		189,719	218,876
Profit on Sale of Asset		3,474	25,900
<b>Total income</b>		<u>2,661,953</u>	<u>2,539,894</u>
<b>Expenses</b>			
Administration expenses	3	163,218	203,981
Bank Charges		1,497	470
Depreciation and Amortisation		147,664	98,824
Electricity		8,845	7,424
Employee Benefits	4	1,996,237	1,987,297
Insurance		91,733	71,284
Interest Expenses		9,214	9,910
Rates and Charges		6,269	6,103
Rent and Building Maintenance		46,843	52,360
Vehicles & Maintenance		123,722	106,749
Travel and Accommodation		57,521	32,591
Workshop Expenses		35,400	83,017
<b>Total expenses</b>		<u>2,688,163</u>	<u>2,660,010</u>
<b>Net Surplus/(deficit) transferred to accumulated surpluses</b>		<u><u>(26,210)</u></u>	<u><u>(120,116)</u></u>

The accompanying notes form part of these financial statements.  
These financial statements should be read in conjunction with the attached audit report.

**Rural Alive & Well Inc.**  
**Statement of Financial Position**  
as at 30 June 2023

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and deposits	5	125,182	180,909
Trade and other receivables		87,748	62,733
Prepayments		29,832	12,525
<b>Total current assets</b>		<u>242,762</u>	<u>256,167</u>
<b>Non-current Assets</b>			
Property, plant and equipment	6	274,027	321,533
Right of Use Assets		302,633	274,587
<b>Total non-current assets</b>		<u>576,660</u>	<u>596,120</u>
<b>Total assets</b>		<u>819,422</u>	<u>852,287</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	119,933	76,878
Employee Provisions	8	154,249	133,204
Income in Advance		130,290	181,980
Lease Liability	1(i)	82,660	82,660
<b>Total current liabilities</b>		<u>487,132</u>	<u>474,722</u>
<b>Non-current Liabilities</b>			
Employee Provisions	8	10,520	19,287
Lease Liability	1(i)	228,177	189,270
Asset Purchase Loans		23,797	73,002
<b>Total non-current liabilities</b>		<u>262,494</u>	<u>281,559</u>
<b>Total liabilities</b>		<u>749,626</u>	<u>756,281</u>
<b>Net assets</b>		<u>69,796</u>	<u>96,006</u>
<b>Members funds</b>			
Accumulated surpluses		69,796	96,006
<b>Total members funds</b>		<u>69,796</u>	<u>96,006</u>

*The accompanying notes form part of these financial statements.  
These financial statements should be read in conjunction with the attached audit report.*

**Rural Alive & Well Inc.**  
**Statement of Cash Flows**  
for the year ended 30 June 2023

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Grants received		2,398,134	2,534,543
Receipts from general operations		566,684	-
Interest received		-	198
Other receipts		124,183	-
Payments to Suppliers & Employees		<u>(3,026,227)</u>	<u>(2,511,031)</u>
<b>Net cash inflow/(outflow) from operating activities</b>	9	<u>62,775</u>	<u>23,710</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of plant and equipment		20,731	55,017
Payments for plant and equipment		<u>(128,204)</u>	<u>(35,028)</u>
<b>Net cash inflow/(outflow) from investing activities</b>		<u>(108,204)</u>	<u>19,989</u>
<b>Cash flows from financing activities</b>			
Lease Proceeds/(Repayments)		38,907	(50,093)
Proceeds from/(Repayment) to borrowings		<u>(49,205)</u>	<u>(41,941)</u>
<b>Net cash inflow/(outflow) from financing activities</b>		<u>(10,298)</u>	<u>(92,034)</u>
<b>Net increase/(decrease) in cash held</b>		(55,727)	(48,335)
<b>Cash and cash equivalents - opening balance</b>		<u>180,909</u>	<u>229,244</u>
<b>Cash and cash equivalents - closing balance</b>	5	<u><u>125,182</u></u>	<u><u>180,909</u></u>

*The accompanying notes form part of these financial statement.  
These financial statements should be read in conjunction with the attached audit report.*

**Rural Alive & Well Inc.**  
**Statement of Changes in Equity**  
for the year ended 30 June 2023

	Accumulated surpluses	Total
	\$	\$
Balance as at 1 July 2021	216,122	216,122
Net surplus/(deficit)	(120,116)	(120,116)
<b>Balance as at 30 June 2022</b>	<u>96,006</u>	<u>96,006</u>
Net surplus/(deficit)	(26,210)	(26,210)
<b>Balance as at 30 June 2023</b>	<u><u>69,796</u></u>	<u><u>69,796</u></u>

*The accompanying notes form part of these financial statements.  
These financial statements should be read in conjunction with the attached audit report.*

**Rural Alive & Well Inc.**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2023**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (Tas) 1964. The Board has determined that the Association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the *Australian Charities and Not-For-Profit Commission Act 2012* and the following Australian Accounting Standards:

- AASB 101 Presentation of Financial Statements
- AASB 107 Statement of Cash Flows
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 110 Events after the reporting period
- AASB 1031 Materiality
- AASB 1048 Interpretation of Standards
- AASB 1054 Australian Additional Disclosures

The Board has determined that the Association are not a reporting entity after consideration of factors including the association has no economic or political influence and meets the definition of medium charity under ACNC definitions.

Therefore AASB1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Entities has not been adopted, and instead special purpose financial statements have been prepared.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of the financial statements.

**a. Cash and Deposits**

Cash and deposits are recognised at their nominal amount. Cash and deposits include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

**b. Trade and other receivables**

Receivables are carried at cost as amounts are typically expected to be received within 12 months. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred at which point the impairment loss is recognised as an expense. Collectability of overdue accounts is assessed on an ongoing basis.

**c. Property, Plant and Equipment**

Property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The depreciable amount of all fixed assets are depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use.

*Estimated useful lives are as follows:*

Buildings	50 years
Property Improvements	10 years
Motor Vehicles	10 years
Plant & equipment	10 years
Computer equipment	10 years
Office furniture & fittings	10 years

**d. Trade and other payables**

Liabilities are recognised for amounts to be paid in the future for goods and services provided to the association as at balance date whether or not invoices have been received. General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt. Payables are not discounted as amounts are expected to be settled within 12 months.

**Rural Alive & Well Inc.**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2023**

**e. Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**f. Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of the end of the reporting period are measured at their nominal amounts.

Long service leave starts to accrue for employees when they have worked for 5 years. Long service leave is calculated each year based on the employees current pay rate and years of service. Entitlement to long service leave is after 10 years of service.

The association does not have any obligations under a defined contribution retirement benefit plan in relation to any of its employees.

**g. Revenue and Other Income**

Fundraising revenue is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

Interest and other revenue is recognised when received.

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

**h. Government Grants**

Grants and sponsorship are recognised to the extent that:

- the services required to be performed by the grantee have been performed; or
- the grant eligibility criteria have been satisfied.

A liability is recorded when the Association has a binding agreement to receive the grant and sponsorship, but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a liability is recognised.

**i. Leases**

The Association assesses at contract inception whether a contract is, or contains, a lease.

The Association applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Association recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying asset.

*(i) Right of use Assets*

The Association recognises right of use assets at the commencement date of the lease. Right of use assets are measured at cost, less any accumulated amortisation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are amortised on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets, per note 1(c) to the financial statements.

**Rural Alive & Well Inc.**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2023**

*(ii) Lease Liabilities*

At the commencement date of the lease, the Association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease term reflects the Association exercising the option to terminate.

In calculating the present value of lease payments, the Association uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**j. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flow arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

**l. Income Tax**

The association is a not-for-profit organisation and the Board has determined that the association is income tax exempt, therefore, no provision for income tax has been made.

**m. Critical Accounting Estimates and Judgements**

The Board evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

Key Estimates - Impairment

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

Grant Revenue Recognition

"Revenue and Other Income" discloses income received from government contributions and specific purpose grant funding (less Income in Advance, where applicable).

The association's specific purpose grant funding is also recognised immediately as revenue where all these criteria are met. For the reporting period, the Board has assessed the specific purpose grant income received and the attached grant funding agreement to determine that grant income meets the criteria set out above. Where there is an obligation to refund uncompleted projects for which contributions were advanced, the unexpended amount of grant revenue has been recorded as income in advance.

**n. Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

The entity had no contingent liabilities as at 30 June 2023.



**Rural Alive & Well Inc.**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2023**

**o. Subsequent Events**

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the organisation's operations, the results of those operations, or the association's state of affairs in future financial years.

**p. Economic Dependency**

The normal trading activities of the association depend to a significant degree on funding received from various sources including state and federal governments.

**Rural Alive Well Inc**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2023**

	2023	2022
	\$	\$
<b>2 Grants</b>		
DHHS	1,585,836	1,622,859
NRE Tas - Stay Afloat	120,000	120,000
Fund - Prime Health Tas	349,696	344,190
Small Grants	126,934	103,917
Tasmanian Transport Association	20,397	-
Total grants received or receivable	<u>2,202,863</u>	<u>2,190,966</u>
Total grant income as expended	<u>2,202,863</u>	<u>2,190,966</u>
<b>3 Administration Cost</b>		
Accountancy and audit	15,855	7,993
Advertising	43,307	59,653
Board Catering	-	1,238
Board Expenses	5,496	8,453
Dues & Subscriptions	7,701	7,393
Fundraising	4,826	2,240
HR Consultant	8,100	-
IT - Maintenance	17,969	20,514
IT - Software	9,985	18,009
IT - Web-site	1,975	25,270
IT - Trademark	1,500	-
Postage & Shipping	625	554
Stationery	7,848	13,489
Sundry Expense	9,662	11,903
Telephone and Internet	28,369	27,272
	<u>163,218</u>	<u>203,981</u>
<b>4 Employee Benefits</b>		
Wages & Salaries	1,660,276	1,661,575
Superannuation	176,347	163,133
Annual Leave Provision	17,588	56,961
Long Service Leave Provision	(5,310)	3,876
TOIL Time Paid	-	1,535
Training	17,846	28,854
Staff Supervision	2,382	2,034
Other Employee Expenses	103,189	46,933
FBT Expense	19,837	7,296
Recruitment	2,767	2,489
Staff Amenities	1,315	12,611
	<u>1,996,237</u>	<u>1,987,297</u>
<b>5 Cash and deposits</b>		
ANZ -Operating	87,091	142,818
ANZ - Saver Account	146	146
CBA - Operating	37,945	37,945
	<u>125,182</u>	<u>180,909</u>

**Rural Alive Well Inc**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2023**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>6 Property Plant and Equipment</b>		
Motor Vehicles at Cost	335,557	356,975
Motor Vehicles Accum Dep	(118,482)	(90,439)
Plant & Equipment	111,865	95,510
Plant & Equipment Accum Dep	(54,913)	(40,513)
	274,027	321,533
<b>7 Trade and Other Payables</b>		
Trade Creditors	44,404	8,770
Sundry Creditors	1,659	-
Credit Cards	11,576	3,375
GST Payable	21,836	23,160
PAYG Withholding Payable	23,940	23,750
Superannuation Payables	16,518	17,823
	119,933	76,878
<b>8 Employee Provisions</b>		
<b>Current</b>		
Provision for Annual Leave	128,802	111,215
Provision for Long Service Leave	25,447	21,989
	154,249	133,204
<b>Non-Current</b>		
Provision for Long Service Leave	10,520	19,287
<b>Total Non-Current</b>	10,520	19,287
<b>Total Employee Provisions</b>	164,769	152,491
<b>9 Cash flow information</b>		
Reconciliation of cash flows from operating activities to net surplus/(deficit):		
Net surplus/(deficit)	(26,210)	(120,116)
Depreciation and low cost assets	147,664	98,824
Proceeds on disposal of fixed assets	(20,000)	(25,900)
<u>Decreases/(increases) in assets:</u>		
Trade and other receivables (current)	(25,015)	(50,233)
Prepayments and accrued income	(17,307)	2,714
Other current assets	-	-
<u>Increases/(decreases) in liabilities:</u>		
Trade and other payables (current)	43,054	(13,396)
Employee Provisions	12,277	60,837
Other current liabilities	(51,689)	70,980
Net cash inflow/(outflow) from operating activities	62,775	23,710

**Rural Alive Well Inc**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2023**

	2023	2022
	\$	\$
<b>10 Auditors Remuneration</b>		
Auditors fees	5,200	5,800
Other Services	<u>5,160</u>	<u>8,007</u>
	<u><u>10,360</u></u>	<u><u>13,807</u></u>

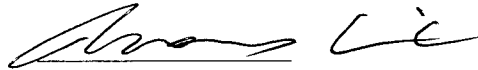
**Rural Alive & Well Inc.**  
**Responsible Persons' Declaration**  
**Year Ended 30 June 2023**

The responsible persons' have determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

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

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013* by:



President: Thomas Windsor



Vice-President/Treasurer: Andrew Dunbabin

Dated: 28<sup>th</sup> September 2023