



FarmLink

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Annual Report 2015



change ■ adapt ■ prosper



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Chair and CEO Report

Dear Members,

We are pleased to present to you the 2015 audited financial report for FarmLink Research Limited. The operating profit for the year is a welcome outcome and is in part, the result of the restructuring and repositioning of the business achieved in 2014 and the ongoing, committed efforts of the FarmLink Board and Staff in 2015. With the operating surplus we have also taken the opportunity to further improve our balance sheet by writing off assets with unrealisable value.

Our continued focus on governance and management of the organisation will help to ensure a secure and efficient business operation in 2016.

At the beginning of 2015 we presented the strategic objectives of FarmLink for the next 3 years – meeting member needs; productive partnerships; local focus and sustainable business. Over the course of 2015 we pursued these objectives and some highlights from the year include –

The suite of tailored member events conducted across the region. Our flagship event remains the FarmLink Open Day which is growing in importance and recognition amongst farmers, advisors and researchers in southern NSW. In 2015 we have 200 farmers and advisors attend the event, held at TAIC in September, up from 150 in 2014 and 80 in 2013.

Our livestock program, delivered in collaboration with ClearView Consulting, Graham Centre and Riverina LLS attracted a lot of interest and positive feedback.

We revised our membership packages and attracted a number of new members in 2015 and already in 2016.

The Farming Systems Collaboration with Charles Sturt University, Central West Farming Systems, Holbrook Landcare Network, Irrigated Cropping Council and FarmLink was finalised and launched mid-year. We are already starting to see benefits from this collaboration in the form of a joint project proposal to MLA and Graham Centre Director, Michael Friend joining our RD&E Committee.

Our close relationship with Temora Shire Council has allowed us to position TAIC as a model of mixed farming for southern NSW. Through this relationship we have been able to establish at TAIC a model Biosecurity Farm working with Riverina LLS, a Satellite Genetic Resource Flock working with Sheep CRC, MLA and Clearview Consulting and National Soil Water Project site working with CSIRO. Along with these ongoing major initiatives, we have hosted 16 research organisations conducting independent trials at TAIC and over 3000 visitors in 2015.

Our network of trials and local events has expanded, with new field trials commencing at Ariah Park, Harden, Binalong and Greenethorpe in 2015.

FarmLink is proud to continue to work with an exciting group of Partner Organisations – including our principal Partner Commonwealth Bank – to deliver benefits for members. Our focus is on ensuring the mutuality of these relationships so that they are sustainable into the future.

We look forward to continuing to deliver on our objectives in 2016. Specific focus will be on our partnerships with our major project funding organisations – GRDC, MLA, NSW DPI, LLS. As these organisations develop their own strategies and evolve as businesses we need to ensure that the important grass roots function played by groups, such as FarmLink, is recognised and becomes embedded in those strategies.

Best wishes



Chair Darryl Harper



CEO Cindy Cassidy

Our Strategic Objectives



Relevant projects

Meeting member needs. FarmLink will engage in RD&E activities that are focussed on the productivity, profitability and sustainability of farming businesses in SNSW.



Productive Partnerships

Creating links that add value. FarmLink will partner with individuals and organisations that invest in, work in or have an interest in, RD&E activities that are valuable to our members or can assist us in delivering on our activities for members



Local focus

Delivering to members locally. FarmLink will create network of sites for the local delivery of research, demonstration and communication activities across the region



Sustainable Business

The right things the right way. FarmLink will undertake business and operating practices that meet our statutory, contractual and constitutional obligations and create a robust and resilient organisation

Our Key Activities



Relevant projects

Canvass farmers in southern NSW to identify RD&E priorities; promote increased RD&E investment for southern NSW; Conduct Annual FarmLink Open Day; Deliver workshops and events targeted at women and young farmers



Productive Partnerships

Create commercial partnerships delivering innovation and direct economic benefit to the region; connect local farmers with international innovation and markets



Local focus

Establish focal points for RD&E activity in locations around the region including - Grenfell, Harden, Henty, Lockhart, Temora, Ardlethan and Barellan; communicate the economic, social and environmental importance of agriculture locally and regionally



Sustainable Business

Increase income generated from non-project sources and non-traditional sources

FARMLINK RESEARCH LTD
A.B.N 23 109 837 505

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2015

FARMLINK RESEARCH LTD
A.B.N 23 109 837 505

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DIRECTORS' REPORT

The directors present their report on the company for the financial year ended 31 December 2015.

Directors

During the year the following people have been Directors:

Director	Meetings Attended / Eligible to Attend
Mr Bernard Hart	8/8
Mr Ronald Heinrich	7/8
Mr Robert Patterson	7/8
Mr Darryl Harper	6/8
Mr Robert Hart	2/3
Mr Robert McColl	7/8
Mr Lyndon McNabb	8/8
Ms Lisa Anderson	8/8

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

Operating Results

The profit of the company after providing for income tax amounted to \$40,314 (2014 profit: \$27,344)

Significant Changes in the State of Affairs

2015 has been a year of consolidation and stabilisation for FarmLink. No significant changes have occurred.

Principal Activities

The principal activities of the company during the financial year were agricultural research, development and extension services.

No significant changes in the nature of the company's activity occurred during the financial 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.

Environmental Issues

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

FARMLINK RESEARCH LTD
A.B.N 23 109 837 505

DIRECTORS' REPORT

Information on Directors

Mr Bernard Hart

Position Director
Qualifications Bachelor of Agricultural Science
Experience and special responsibilities Chair of RD&E Committee

Appointed 6/01/14

Mr Darryl Harper

Position Chair
Qualifications Associate Diploma Farm Management
Experience and special responsibilities Chairperson

Appointed 6/01/14

Mr Ronald Heinrich

Position Director
Qualifications Solicitor – SAB
Experience and special responsibilities Chair of Audit & Risk Committee

Appointed 6/01/14

Mr Robert McColl

Position Deputy Chair
Qualifications Bachelor of Farm Management
Experience and special responsibilities Deputy Chair

Appointed 6/01/14

Mr Robert Hart

Position Director
Qualifications Bachelor Agricultural Science
Experience and special responsibilities -

Appointed 6/01/14 / Resigned 20/03/15

Mr Robert Patterson

Position: Director
Qualifications Bachelor of Agricultural Science, Master of Agricultural Science, GAICD
Experience and special responsibilities Deputy Chair of Audit & Risk Committee

Appointed 6/01/14

Mr Lyndon McNabb

Position: Director
Qualifications Welding, Computer Cert.
Experience and special responsibilities -

Appointed 6/01/14

Ms Lisa Anderson

Position: Director
Qualifications Bachelor of Economics and Bachelor of Laws
Experience and special responsibilities -

Appointed 30/01/15

FARMLINK RESEARCH LTD
A.B.N 23 109 837 505

DIRECTORS' REPORT

Indemnification of Officers

During or since the end of the financial year the company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

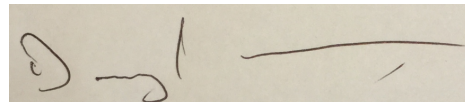
Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

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



Director:



Director:

Dated this 23rd day of February 2016

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
FARMLINK RESEARCH LTD**

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2015 there have been:

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

Name of Firm: Countplus National Audits Pty Ltd
Authorised Audit Company



Name of Director: _____
Steven J Watson CA

Address: 1/185 Morgan Street Wagga Wagga, NSW

Dated this 25th day of February 2016

FARMLINK RESEARCH LTD
A.B.N 23 109 837 505

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
Revenue	2	835,567	794,822
Accountancy expenses		(6,375)	(6,325)
Advertising expenses		(13,877)	(482)
Auditors' remuneration	3	(7,500)	(11,000)
Depreciation and amortisation expenses		(19,416)	(26,347)
Employee benefits expenses		(372,069)	(439,148)
Project costs		(171,389)	(128,534)
Utility cost		(8,255)	(24,929)
Office cost		(60,891)	(52,286)
Motor vehicle cost		(43,708)	(27,943)
Other expenses		(91,773)	(50,484)
Profit for the year	4	<u>40,314</u>	<u>27,344</u>
Total comprehensive income for the year		<u>40,314</u>	<u>27,344</u>
Total comprehensive income attributable to members of the entity		40,314	27,344

The accompanying notes form part of these financial statements.

FARMLINK RESEARCH LTD
A.B.N 23 109 837 505

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	569,263	610,375
Trade and other receivables	6	126,072	37,990
Other current assets	7	4,343	4,534
TOTAL CURRENT ASSETS		<u>699,678</u>	<u>652,899</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	50,449	78,450
Intangible assets	9	1,036	1,416
TOTAL NON-CURRENT ASSETS		<u>51,485</u>	<u>79,866</u>
TOTAL ASSETS		<u>751,163</u>	<u>732,765</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	86,771	50,494
Provisions	11	23,053	10,555
Other current liabilities	12	101,767	172,458
TOTAL CURRENT LIABILITIES		<u>211,591</u>	<u>233,507</u>
TOTAL LIABILITIES		<u>211,591</u>	<u>233,507</u>
NET ASSETS		<u>539,572</u>	<u>499,258</u>
EQUITY			
Retained earnings		<u>539,572</u>	<u>499,258</u>
TOTAL EQUITY		<u>539,572</u>	<u>499,258</u>

The accompanying notes form part of these financial statements.

FARMLINK RESEARCH LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Retained earnings
	\$
Balance at 1 January 2014	471,914
Profit attributable to members	27,344
Balance at 31 December 2014	<u>499,258</u>
Profit attributable to members	40,314
Balance at 31 December 2015	<u><u>539,572</u></u>

The accompanying notes form part of these financial statements.

FARMLINK RESEARCH LTD
A.B.N 23 109 837 505

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	688,272	903,239
Payments to suppliers and employees	(717,906)	(742,842)
Interest received	9,506	12,044
Net cash provided by (used in) operating activities 13	(20,128)	172,441
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	-	(76,537)
Proceeds for property, plant and equipment	-	60,227
Net cash provided by (used in) investing activities	-	(16,310)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	76,537
Payment of borrowings	(20,984)	(19,184)
Net cash provided by (used in) financing activities	(20,984)	57,353
Net increase (decrease) in cash held	(41,112)	213,484
Cash at beginning of financial year	610,375	396,891
Cash at end of financial year 5	569,263	610,375

The accompanying notes form part of these financial statements.

FARMLINK RESEARCH LTD
A.B.N 23 109 837 505

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1 Summary of Significant Accounting Policies

The financial statements cover FarmLink Research Ltd as an individual entity. FarmLink Research Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

FarmLink Research Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards Reduced Disclosure Requirements (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards Reduced Disclosure Requirements set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the date of signing by the directors of the company.

Accounting Policies

Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at cost, less accumulated depreciation for buildings

FARMLINK RESEARCH LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying value of plant and equipment is greater than the estimated recoverable amount, the carrying value is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

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

Equipment & Furniture	7.5-50%
Motor Vehicles	25%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

During the year the directors' approved a new asset capitalisation policy. The policy requires that only assets with a minimum value of \$2,000 are to be capitalised. All assets with a value of less than \$2,000 are to be treated as expenses. A number of items which were previously capitalised did not meet this criteria and as such were written off during the year.

FARMLINK RESEARCH LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the statement of financial position.

Lease incentives under operating leases are recognised as a liability and amortised over the life of the lease term.

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Impairment of Non-Financial Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

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 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 twelve months 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. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Provisions

Provisions are recognised when the company 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

FARMLINK RESEARCH LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Trade and Other Payables

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

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 Tax 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.

Comparative Figures

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

Income Tax

FarmLink has applied the self-assessment rule under the *Income Tax Assessment Act 1997* and has determined it is exempt from paying income tax.

FARMLINK RESEARCH LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
<hr/>		
2 Revenue and Other Income		
Revenue		
Research grants	552,584	546,813
Interest received	9,506	12,044
Other revenue	143,010	117,606
Consulting fees	130,467	135,542
	<u>835,567</u>	<u>794,822</u>
3 Auditors' Remuneration		
Auditors' remuneration 2013	-	5,000
Auditors' remuneration 2014	-	6,000
Auditors' remuneration 2015	7,500	-
	<u>7,500</u>	<u>11,000</u>
4 Profit for the year		
Profit before income tax from continuing operations includes the following specific expenses:		
Expenses		
Depreciation of property, plant and equipment	19,416	26,347
Amortisation of borrowing cost	380	322
Write-down of fixed assets	8,585	-
	<u>28,381</u>	<u>26,669</u>
5 Cash and Cash Equivalents		
Cash at bank	<u>569,263</u>	<u>610,375</u>
Reconciliation of cash		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	<u>569,263</u>	<u>610,375</u>
	<u>569,263</u>	<u>610,375</u>

FARMLINK RESEARCH LTD
A.B.N 23 109 837 505

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
<hr/>		
6 Trade and Other Receivables		
Current		
Trade debtors	111,737	32,609
Project work in progress	14,335	
Fringe benefits tax	-	5,381
	126,072	37,990
	126,072	37,990
<p>The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short term nature of the balances.</p>		
7 Other Non-Financial Assets		
Current		
Prepayments	4,343	4,534
	4,343	4,534
	4,343	4,534
8 Property, Plant and Equipment		
Low value pool	-	11,313
Less: accumulated depreciation	-	(11,313)
	-	-
	-	-
Motor vehicles	77,810	77,810
Less: accumulated depreciation	(27,361)	(10,544)
	50,449	67,266
	50,449	67,266
Office furniture & equipment	-	22,504
Less: accumulated depreciation	-	(11,320)
	-	11,184
	-	11,184
Total Fixed Assets	50,449	78,450

FARMLINK RESEARCH LTD
A.B.N 23 109 837 505

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
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.		
	Office Furniture & Equipment	Motor Vehicles
	\$	\$
Balance at 1 January 2015	11,184	67,266
Additions	-	-
Disposals	-	-
Depreciation expense	(2,599)	(16,817)
Write-down of fixed assets	(8,585)	-
Balance at 31 December 2015	<u>-</u>	<u>50,449</u>
	<u>50,449</u>	<u>50,449</u>
9 Intangible Assets		
Borrowing costs	1,036	1,416
Total	<u>1,036</u>	<u>1,416</u>
10 Trade and Other Payables		
Current		
Trade creditors	48,983	6,128
Superannuation payable	3,093	5,900
Accrued charges	3,100	1,263
Amounts withheld	658	3,031
GST payable	30,937	34,172
	<u>86,771</u>	<u>50,494</u>
11 Provisions		
Provision for annual leave	23,053	10,555
Total provisions	<u>23,053</u>	<u>10,555</u>
Analysis of Total Provisions		
Current	23,053	10,555
	<u>23,053</u>	<u>10,555</u>

FARMLINK RESEARCH LTD
A.B.N 23 109 837 505

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
<hr/>		
12 Other Liabilities		
Current		
Income in advance	56,640	106,347
Equipment Finance		
Ford finance - Ford Kuga	19,085	34,352
Less terms of credit - Kuga	(855)	(2,626)
Toyota finance - Toyota Hilux	28,578	37,631
Less terms of credit - Hilux	(1,681)	(3,246)
	45,127	66,111
	101,767	172,458
 13 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	40,314	27,344
Non-cash flows in profit		
Amortisation of borrowing cost	380	322
Depreciation	19,416	26,347
Profit on sale of non-current assets	-	1,367
Write-down of fixed assets	8,585	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in other assets	191	(825)
(Increase)/decrease in trade and other receivables	(88,082)	3,463
Increase/(decrease) in trade and other payables	36,277	29,350
Increase/(decrease) in provisions	12,498	(31,925)
Increase/(decrease) in other liabilities	(49,707)	116,998
	(20,128)	172,441

FARMLINK RESEARCH LTD
A.B.N 23 109 837 505

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

14 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

Objectives, Policies and Processes

Risk management is carried out by the company's risk management committee under the delegated power from the Board of Directors. The Finance Manager has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the company, these policies and procedures are then approved by the risk management committee and tabled at the board meeting following their approval.

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the Risk Management Committee believes the Board should be aware of.

Specific information regarding the mitigation of each financial risk to which company is exposed is provided below.

The company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

15 Company Details

The location of the Company's registered office and principal place of business is:
FarmLink Research Ltd
361 Trungley Hall Road
Temora NSW 2666

16 Contingent Liabilities and Contingent Assets

The directors are not aware of the existence of any contingent liabilities or contingent assets.

17 Economic Dependency

FarmLink Research Limited is dependent on the following departments for a significant portion of its revenue used to operate the business:

- Grains Research and Development Corporation
- Temora Shire Council

At the date of this report the directors had no reason to believe these entities will not continue to support FarmLink Research Limited, despite the reduction in Grains Research and Development Corporation funding.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

18 Related Party Transactions

Transactions between related parties are believed to be on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties.

The following transactions occurred with related parties:

- RMS Agricultural Consulting was paid an amount of \$4,200 and paid FarmLink \$1,530 for goods and services. Mr Robert Patterson is a Director of both FarmLink and RMS Agricultural Consulting.
- Hart Bros Seeds was paid an amount of \$33 and paid FarmLink \$1,036 for goods and services. Mr Robert Hart (retired director) & Mr Bernard Hart are both directors of Farmlink and Hart Bros Seeds.
- FarmLink sold \$9,319 worth of goods and services to Intersales. Mr Ron Heinrich is a Director of both FarmLink and Intersales.

19 Key Management Personnel

Any person having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

2015	Number of Personnel	Short Term Benefits	Post-employment Benefits	Total
Total Compensation	9	\$0-\$150,000	-	\$0-\$150,000

FARMLINK RESEARCH LTD
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DIRECTORS' DECLARATION

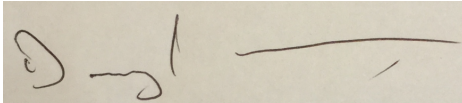
The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 19, for the year ended 31 December 2015 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulation 2001;
 - (b) give a true and fair view of the financial position as at 31 December 2015 and of the performance for the financial 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: _____



Director: _____

Dated this 23rd day of February 2016

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FARMLINK RESEARCH LTD
A.B.N 23 109 837 505**

Report on the Financial Report

We have audited the accompanying financial report of FarmLink Research Ltd which comprises the statement of financial position as at 31 December 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independent

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FARMLINK RESEARCH LTD
A.B.N 23 109 837 505**

Auditors' Opinion

In our opinion: the financial report of FarmLink Research Ltd is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

Name of Firm: Countplus National Audits Pty Ltd
Authorised Audit Company



Name of Director: _____
Steven J Watson CA

Address: 1/185 Morgan Street Wagga Wagga, NSW

Dated this 25th day of February 2016