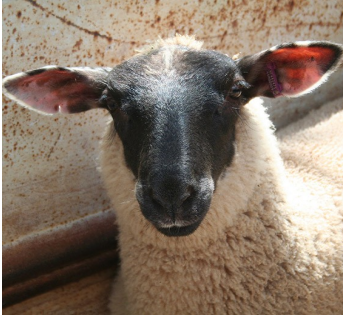


FarmLink

change • adapt • prosper

Annual Report 2016



Chair and CEO report

page 3



Strategic Objectives

page 4



Key Activities

page 5



Financial Statements

from page 6

Chair and CEO Report

Dear members

On behalf of the Board of FarmLink Research Limited, we are pleased to present to you the 2016 audited financial report for FarmLink Research Limited.

FarmLink has had another solid year successfully growing the quality and relevance of our activities, events and information for SNSW farmers. Activities undertaken throughout 2016 have contributed significantly to achievement of our strategic objectives.

In a year of successes, large and small, highlights in 2016 included securing Dow Agro Sciences as a partner in the future development of TAIC, establishment of strong, effective partnerships with other farming systems groups in SNSW enabling FarmLink to present a positive, collaborative approach to industry, and the growing success of our flagship event the FarmLink Open Day.

At the same time have maintained the stability and strong governance of the organisation. In 2016 we continued to attract new members and establish new industry partnerships all of which go toward enhancing the fabric of our FarmLink family.

These, and the many other successes of the year, were achieved whilst delivering an operating surplus of \$72k in what was a very tight year for project funding. Continuity and commitment of FarmLink staff have ensured timely delivery of high quality project, communication and administration activities.

Certainly, stabilising FarmLink has been a priority over the last 3 years – we now look forward with confidence to be able to provide more and better locally produced technical outcomes. Looking to 2017, we will be focusing on our R & D capability to meet the technical, on-farm innovation demands of our members.

FarmLink's reputation is growing. We are a valued point of

reference in SNSW for project funders, government, other grower groups, industry and researchers wanting to influence and wishing to understand the needs of farmers in the region. There is a real opportunity to grow this further in 2017. This growth will be delivered by doing some 'more of the same' and some 'new and challenging' things and by doing less of the 'things that don't work anymore'. Our experiences leading up to 2017 have helped us to identify the more, the new and the less – and these have shaped the operational plan for 2017. A significant focus for 2017 will be capturing, developing and delivering the RD&E priorities of our members. By necessity this will mean a focus on growing the technical capacity of the organisation. We will maintain the high governance and financial management standards achieved over the last 3 years; we will continue to grow the quality of our events and communications; we will build our industry partnerships. But we will be less focused on cost cutting and more on strategic investment.

And so, in 2017 we will make the strategic appointment of a senior trial agronomist who will provide technical leadership in the group. Tapping into the issues identification and prioritisation processes of our RD&E Committee, this person will develop and design RD&E projects and deliver technical activities locally for and with our members. There will be more on-farm trials (large and small scale) and these will continue to be supported by our high-quality events (field days, workshops, functions) and communications (publications, media and social media). Where possible and appropriate we will continue to seek project funding to support these activities and where project funding is not available we will work with our partners and members to bring them to fruition.

We are both pleased and proud of FarmLink's performance and particularly excited by the opportunity that the next 12 months presents. Thank you to all our members and industry partners and funders for your ongoing involvement in FarmLink.

Looking forward to another fruitful year.

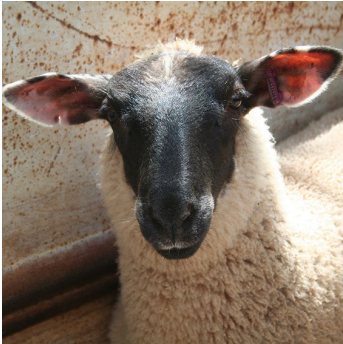


Darryl Harper (Chair)



Cindy Cassidy (CEO)

Our Strategic Objectives



Local focus

Delivering to members locally. FarmLink will create a 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



Relevant projects

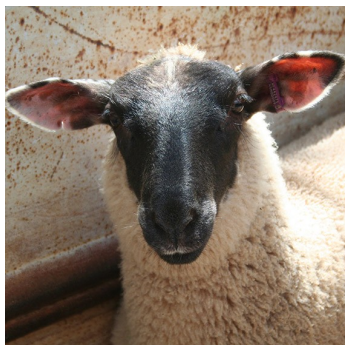
Meeting member needs. FarmLink will engage in Research, Development and Extension (RD and E) activities that are focussed on the productivity, profitability and sustainability of farming businesses in Southern NSW.



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

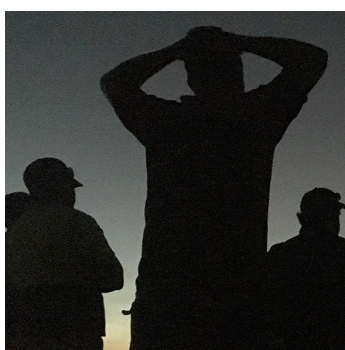
Our Key Activities



Local focus

Invest in the technical capacity of FarmLink by employing a Senior Trial Agronomist to design and implement on-farm trials around the FarmLink region

Continue to identify and prioritise RD and E requirements of farmers across SNSW and present those nationally, regionally and locally to facilitate investment and delivery of relevant innovation



Sustainable Business

Continue to diversify revenue for FarmLink to allow delivery of innovation with less relevance on project funds

Develop skills and capacity of current and future FarmLink directors to build capacity in the local community and enhance FarmLink operations



Relevant projects

Use our knowledge for the RD and E priorities in SNSW to develop projects with total relevance and impact

Work with industry and funding partners to deliver innovation in strategic weed management, soil health and fertility, nitrogen use efficiency management and productive pulse production in SNSW

Quantify the benefits – social, economic and environmental – of regional agriculture and groups such as FarmLink



Productive Partnerships

Continue to work with NSW DPI and CSIRO to develop and deliver innovation for members

Work with Temora Shire Council to build the reputation and importance of Temora Agricultural Innovation Centre as a vibrant hub of agricultural innovation in SNSW and work with Dow AgroSciences to bring the Irrigated Crop Breeding Precinct final stage to fruition

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

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FOR THE YEAR ENDED 31 DECEMBER 2016

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FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

DIRECTORS' REPORT

31 DECEMBER 2016

The Directors present their report on Farmlink Research Limited for the financial year ended 31 December 2016.

Information on Directors

The names of each person who has been a Director during the year and to the date of this report are:

Mr Bernard Hart	Appointed 6/01/14
Position	Director
Qualifications	Bachelor of Agricultural Science
Special responsibilities	RD&E Committee
Mr Darryl Harper	Appointed 6/01/14
Position	Director
Qualifications	Associate Diploma Farm Management
Special responsibilities	Board Chairperson, RD&E Committee, Nominations and Remunerations Committee
Mr Ronald Heinrich	Appointed 6/01/14
Position	Director
Qualifications	Solicitor – SAB
Special responsibilities	Chair of Audit & Risk Committee, Chair of Nominations and Remunerations Committee
Mr Robert McColl	Appointed 6/01/14
Position	Director
Qualifications	Bachelor of Farm Management
Special responsibilities	Deputy Chair and Audit & Risk Committee
Mr Robert Patterson	Appointed 6/01/14
Position	Director
Qualifications	Bachelor of Agricultural Science, Master of Agricultural Science, GAICD
Special responsibilities	Deputy Chair of Audit & Risk Committee
Mr Lyndon McNabb	Appointed 6/01/14 - Resigned 18/03/2016
Position	Director
Qualifications	Welding, Computer Cert.
Special responsibilities	RD&E Committee

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

DIRECTORS' REPORT

31 DECEMBER 2016

Ms Lisa Anderson	Appointed 30/01/15
Position	Director
Qualifications	Bachelor of Economics and Bachelor of Law
Special responsibilities	Audit and Risk Committee
Mr. Michael Sinclair	Appointed 18/03/16
Position	Director
Qualifications	Bachelor of Applied Science - Agriculture
Special responsibilities	Chair of RD&E Committee, Nominations and Remunerations Committee

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

Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Principal activities

The principal activity of FarmLink Research Limited 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.

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.

Operating results

The profit of the Company after providing for income tax amounted to \$ 72,049 (2015: \$ 40,314).

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

DIRECTORS' REPORT

31 DECEMBER 2016

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.

Meetings of Directors

During the financial year, 7 meetings of Directors were held. Attendances by each Director during the year were as follows:


	Number eligible to attend	Number attended
Mr Bernard Hart	7	5
Mr Darryl Harper	7	7
Mr Ronald Heinrich	7	5
Mr Robert McColl	7	5
Mr Robert Patterson	7	7
Mr Lyndon McNabb	2	2
Ms Lisa Anderson	7	7
Mr. Michael Sinclair	6	4

Auditors' independence declaration

The auditors independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2016 has been received and can be found on page 4 of the financial report.

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


Director:
Mr Ronald Heinrich


Director:
Mr Darryl Harper

Dated 21 March 2017

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF FARMLINK RESEARCH LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2016, 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.

Countplus National Audits Pty Ltd
Authorised Audit Company



Steven J Watson
Director

Dated 21 March 2017

Wagga Wagga

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
Revenue	4	846,509	835,566
Advertising		(5,382)	(13,877)
Audit and accounting fees		(22,235)	(13,875)
Communication and events		(68,087)	(85,142)
Depreciation		(15,979)	(28,381)
Employee benefits		(541,247)	(493,591)
General office expenses		(28,224)	(22,951)
Insurance		(9,742)	(12,539)
Motor vehicle		(15,813)	(23,586)
Other expenses		(13,518)	(34,390)
Printing and stationery		(11,468)	(20,562)
Telephone, internet and IT expenses		(26,064)	(29,411)
Travel expenses		(16,701)	(16,947)
Profit before income tax		72,049	40,314
Income tax		-	-
Profit for the year		72,049	40,314
Other comprehensive income for the year		-	-
Total comprehensive income for the year		72,049	40,314

The accompanying notes form part of these financial statements.

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	697,196	569,263
Trade and other receivables	6	131,144	130,415
TOTAL CURRENT ASSETS		828,340	699,678
NON-CURRENT ASSETS			
Property, plant and equipment	7	57,928	51,485
TOTAL NON-CURRENT ASSETS		57,928	51,485
TOTAL ASSETS		886,268	751,163
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	69,913	83,750
Borrowings	9	22,800	45,128
Current tax liabilities		-	658
Other liabilities	10	153,511	56,640
Employee benefits	11	28,424	25,416
TOTAL CURRENT LIABILITIES		274,648	211,592
TOTAL LIABILITIES		274,648	211,592
NET ASSETS		611,620	539,571
EQUITY			
Retained earnings		611,620	539,571
TOTAL EQUITY		611,620	539,571

The accompanying notes form part of these financial statements.

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
Retained earnings at the beginning of the financial year	539,571	499,257
Profit for the year	72,049	40,314
Retained earnings at the end of the financial year	<u>611,620</u>	<u>539,571</u>

The accompanying notes form part of these financial statements.

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	283,235	135,688
Payments to suppliers and employees	(673,420)	(717,906)
Interest received	5,961	9,506
Receipt from grants	556,584	552,584
Net cash used in operating activities	<u>172,360</u>	<u>(20,128)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(22,099)</u>	-
Net cash used by investing activities	<u>(22,099)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	<u>(22,328)</u>	(20,984)
Net cash used by financing activities	<u>(22,328)</u>	(20,984)
Net decrease in cash and cash equivalents held	127,933	(41,112)
Cash and cash equivalents at beginning of year	<u>569,263</u>	<u>610,375</u>
Cash and cash equivalents at end of financial year	5 <u><u>697,196</u></u>	<u><u>569,263</u></u>

The accompanying notes form part of these financial statements.

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

The financial report covers FarmLink Research Limited as an individual entity. FarmLink Research Limited is a Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of FarmLink Research Limited is Australian dollars.

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

1 BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements 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 report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is 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 report have been rounded to the nearest dollar.

The financial report was authorised for issue on the date of signing by the Directors of the Company.

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) 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).

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.

Interest revenue

Interest is recognised using the effective interest method.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

(c) 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.

(d) Property, plant and equipment

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets 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
Equipment & furniture	7.5-50%
Motor Vehicles	25%

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.

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Trade and other receivables

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

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

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

(f) Cash and cash equivalents

Cash and cash equivalents comprises 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.

(g) 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. 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.

(h) Economic dependence

FarmLink Research Limited is dependent on the Grains Research and Development Corporation and Temora Shire Council for the significant portion of its revenue used to operate the business. FarmLink has successfully implemented strategies at the date of this report and the Directors have no reason to believe the Grains Research and Development Corporation and Temora Shire Council will not continue to support FarmLink Research Limited.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Directors make estimates and judgements during the preparation of this financial report regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial report, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

4 REVENUE AND OTHER INCOME

	2016	2015
	\$	\$
Consulting fees	223,694	130,469
Interest received	5,961	9,506
Operating grants	403,073	482,584
Member subscriptions	71,817	73,137
Sponsorship	50,091	70,000
Reimbursements	16,945	-
Other revenue	74,928	69,872
	<u>846,509</u>	<u>835,568</u>

5 CASH AND CASH EQUIVALENTS

Cash at bank and in hand	<u>697,196</u>	<u>569,263</u>
	<u>697,196</u>	<u>569,263</u>

6 TRADE AND OTHER RECEIVABLES

Trade receivables	118,672	111,737
Other receivables	12,472	18,678
	<u>131,144</u>	<u>130,415</u>

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

7 PROPERTY, PLANT AND EQUIPMENT

	2016	2015
	\$	\$
Plant and equipment		
At cost	10,000	-
Accumulated depreciation	(1,622)	-
Total plant and equipment	8,378	-
Motor vehicles		
At fair value	77,810	77,810
Accumulated depreciation	(40,007)	(27,361)
Total motor vehicles	37,803	50,449
Office equipment		
At cost	12,099	-
Accumulated depreciation	(1,008)	-
Total office equipment	11,091	-
Borrowing costs		
At fair value	656	1,036
	57,928	51,485

(a) Movements in Carrying Amounts

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

	Plant and Equipment	Motor Vehicles	Office Equipment	Borrowing costs	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2016	-	50,449	-	1,036	51,485
Additions	10,000	-	12,099	-	22,099
Depreciation expense	(1,622)	(12,646)	(1,008)	(380)	(15,656)
Balance at 31 December 2016	8,378	37,803	11,091	656	57,928

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

8 TRADE AND OTHER PAYABLES

	2016	2015
	\$	\$
CURRENT		
Trade payables	29,803	51,837
GST payable	40,110	30,938
Accrued expenses	-	737
Credit card overdraft	-	238
	<u>69,913</u>	<u>83,750</u>

9 BORROWINGS

CURRENT		
Financial lease	<u>22,800</u>	<u>45,128</u>

Leased liabilities are secured by the following leased assets.

- Ford Kuga
- Toyota Hilux

10 OTHER LIABILITIES

CURRENT		
Amounts received in advance	<u>153,511</u>	<u>56,640</u>

11 EMPLOYEE BENEFITS

CURRENT		
Annual leave	<u>28,424</u>	<u>25,416</u>

12 KEY MANAGEMENT PERSONNEL DISCLOSURES

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.

The total remuneration paid to Directors and CEO of the Company was \$ 0 - \$ 150,000 .

13 CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2016 (31 December 2015:None).

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

14 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

RMS Agricultural Consulting was paid an amount of \$4,200 and paid FarmLink \$1,000 for goods and services. Mr Robert Patterson is a Director of both FarmLink and RMS Agricultural Consulting.

Intersales entered into a sponsorship with FarmLink to the value of \$5,000. Mr Ron Heinrich is a Director of both FarmLink and Intersales

FarmLink has entered into other transactions with related parties, however, these have not been disclosed as the value of these transactions is less than \$500.

15 COMPANY DETAILS

The location of the Company's principal place of business is:

FarmLink Research Ltd
361 Trungley Hall Road
Temora NSW 2666

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial report and notes, as set out on pages 1-15, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2016 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 Ronald Heinrich



Director

Mr Darryl Harper

Dated 21 March 2017

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of FarmLink Research Limited (the Company), which comprises the statement of financial position as at 31 December 2016, the statement of profit or 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 of the Company 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 2016 and its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and Corporations Regulations 2001.

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 the *Corporations Act 2001* 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 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.

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

Emphasis of Matter

We draw attention to Note 1 to the financial report, which describes the basis of preparation. The financial report has been prepared to assist the Company to meet the requirements of the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine 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, the Directors are 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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.

Countplus National Audits Pty Ltd
Authorised Audit Company



Steven J Watson
Director

Dated 21 March 2017

Wagga Wagga