



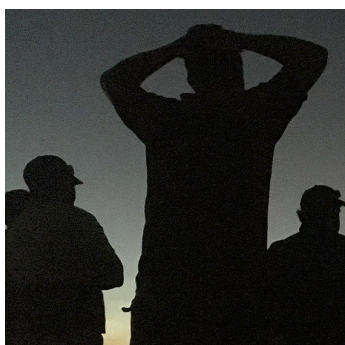
# Annual Report 2017

**FarmLink**

change • adapt • prosper

change ■ adapt ■ prosper





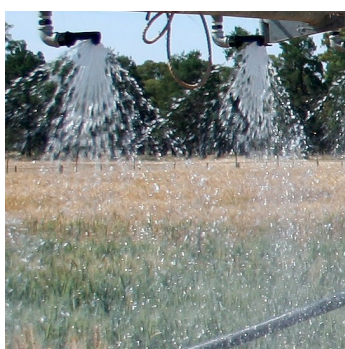
## Strategic Objectives

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## Key Activities

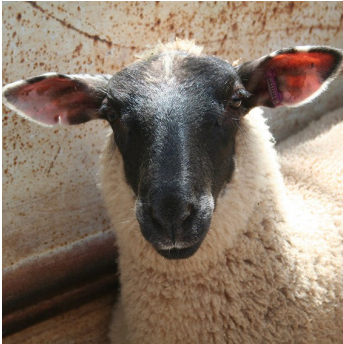
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## Financial Statements

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# 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

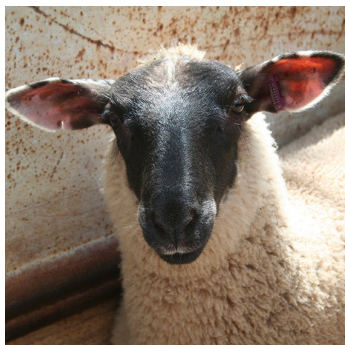
Meeting member needs. FarmLink will engage in Research, Development and Extension (RD and E) activities that are focussed on the productivity, profitability and sustainability of farming businesses in Southern NSW.



## 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

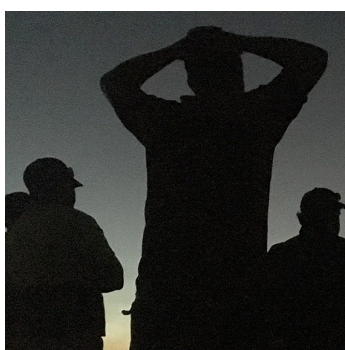
# Our Key Activities



## Local focus

**Invest in the technical capacity** of FarmLink by employing a Senior Research Officer 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 local advisors, 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 continue to develop 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 2017

# FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

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FOR THE YEAR ENDED 31 DECEMBER 2017

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# FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

## DIRECTORS' REPORT

31 DECEMBER 2017

The Directors present their report on FarmLink Research Limited for the financial year ended 31 December 2017.

### 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
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



# FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

## DIRECTORS' REPORT

31 DECEMBER 2017

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 was to conduct agricultural RD&E in southern NSW.

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

### Short term objectives

Based on the 2015-2018 FarmLink Research Limited strategic plan, operating environment, constitutional objectives and current state of business the Company's short term objectives are:

- Relevant projects – meeting member needs. The Company will engage in RD&E activities that are focussed on the productivity, profitability and sustainability of farming businesses in southern New South Wales;
- Productive Partnerships – creating links that add value. The Company will partner with individuals and organisations that invest in, work in or have an interest in, RD&E activities that are valuable to the members or can assist the Company in delivering on its activities for members;
- Local focus – delivering to members locally. The Company will create network of sites for the local delivery of research, demonstration and communication activities across the region; and
- Sustainable Business – the right things the right way. The Company will undertake business and operating practices that meet statutory, contractual and constitutional obligations and create a robust and resilient organisation.

### Long term objectives

The Company's long term objectives are to:

- Improve the viability of farm businesses in southern New South Wales through research and development of systems that will further the environmental and economic sustainability of the region;
- Act as an independent regional grower and industry driven organisation that recognises and addresses the research and development needs of local communities in southern New South Wales;
- Develop, test and extend innovative science based management systems to improve profitability and protect the natural resource base of mixed farms in southern New South Wales; and
- Co-ordinate and communicate more widely and effectively the results of private, public and grower group funded research and development activities relevant to farming systems in southern New South Wales.

# FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

## DIRECTORS' REPORT

31 DECEMBER 2017

### Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

#### *Relevant projects – meeting member needs*

- Farmlink Research Limited to be recognised as reflecting and representing southern New South Wales farming businesses;
- Understand, prioritise and communicate the RD&E needs of farming businesses in southern New South Wales;
- Secure projects that fit within the priorities determined by members;
- Establish reputation for high quality project delivery; and
- Undertake targeted and effective communications with members, partners and industry.

#### *Productive Partnerships – creating links that add value*

- Develop relationships with other farming systems groups in order to share knowledge, increase impact and bargaining power and critical mass;
- Develop formal relationships with RD&E providers in southern New South Wales;
- Maintain relationship with Temora Shire Council; and
- Engage sponsors from each industry segment.

#### *Local focus – delivering to members locally*

- Establish focal points for RD&E activities at selected locations around the region – Grenfell, Harden, Henty, Lockhart, Temora, Coolamon, Beckom/Ardlethan.

#### *Sustainable Business – the right things the right way*

- Reduce reliance on project funding and develop alternate income streams;
- Reduce fixed operating costs of business;
- Maintain appropriately skilled technical, administrative and operational staff required to deliver business activities effectively and efficiently; and
- Maintain good governance and business practices.

# FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

## DIRECTORS' REPORT

31 DECEMBER 2017

### How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- Delivering innovation to farmers in southern NSW; and
- Facilitating interaction between farmers, advisors and researchers to better define RD&E issues/opportunities and to enable adoption of outcomes.

### Performance measures

The following measures are used within the Company to monitor performance:

- Financial performance against budget; and
- Project delivery against milestones.

### Members' guarantee

FarmLink Research Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$1 for corporations and individual members, subject to the provisions of the company's constitution.

At 31 December 2017 the collective liability of members was \$ 312 (2016: \$ 313).

### Operating results

The surplus of the Company after providing for income tax amounted to \$ 126,529 (2016: \$ 72,049).

### 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.

### Meetings of Directors

During the financial year, 5 meetings of Directors were held. Attendances by each Director during the year were as follows:

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

# FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

## DIRECTORS' REPORT

31 DECEMBER 2017

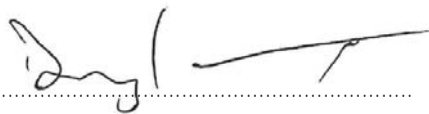
### Auditors' independence declaration

The auditors independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2017 has been received and can be found on page 6 of the financial report.

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

Director: 

Mr Ronald Heinrich

Director: 

Mr Darryl Harper

Dated 27 February 2018

**FARMLINK RESEARCH LIMITED**  
**ABN: 23 109 837 505**

**AUDITOR'S INDEPENDENCE DECLARATION**

In accordance with the requirements of section 307C of the *Corporations Act 2001*, we declare that, to the best of our knowledge and belief, during the year ended 31 December 2017, 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.

**National Audits Group Pty Ltd**  
**Authorised Audit Company**



**Steven J Watson**  
**Managing Director**

**Dated 27 February 2018**

**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 2017

	Note	2017 \$	2016 \$
Revenue	4	949,566	846,509
Advertising and development		(9,908)	(8,091)
Audit and accounting fees		(22,667)	(22,235)
Communication and events		(91,740)	(68,087)
Depreciation		(22,627)	(15,979)
Employee benefits		(527,532)	(541,247)
General office expenses		(30,788)	(28,224)
Insurance		(4,928)	(9,742)
Motor vehicle		(10,197)	(15,813)
Other expenses		(20,085)	(7,306)
Printing and stationery		(16,665)	(11,468)
Telephone, internet and IT expenses		(29,974)	(26,064)
Travel expenses		(23,303)	(16,701)
Employee training		(12,623)	(3,503)
<b>Surplus before income tax</b>		<b>126,529</b>	<b>72,049</b>
Income tax	2(a)	-	-
<b>Surplus for the year</b>		<b>126,529</b>	<b>72,049</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>126,529</b>	<b>72,049</b>

The accompanying notes form part of these financial statements.

# FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	2,215,655	697,196
Trade and other receivables	6	170,334	131,144
<b>TOTAL CURRENT ASSETS</b>		<u>2,385,989</u>	<u>828,340</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	67,885	57,928
<b>TOTAL NON-CURRENT ASSETS</b>		<u>67,885</u>	<u>57,928</u>
<b>TOTAL ASSETS</b>		<u>2,453,874</u>	<u>886,268</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	95,259	69,913
Borrowings	9	-	22,800
Other liabilities	10	1,590,150	153,511
Employee benefits	11	30,317	28,424
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,715,726</u>	<u>274,648</u>
<b>TOTAL LIABILITIES</b>		<u>1,715,726</u>	<u>274,648</u>
<b>NET ASSETS</b>		<u>738,149</u>	<u>611,620</u>
<b>EQUITY</b>			
Retained earnings		<u>738,149</u>	<u>611,620</u>
<b>TOTAL EQUITY</b>		<u>738,149</u>	<u>611,620</u>

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 2017

	2017	2016
	\$	\$
<b>Retained earnings at the beginning of the financial year</b>	611,620	539,571
Surplus for the year	126,529	72,049
<b>Retained earnings at the end of the financial year</b>	<u>738,149</u>	<u>611,620</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 2017

	2017	2016
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	478,341	283,235
Payments to suppliers and employees	(768,152)	(673,420)
Interest received	4,195	5,961
Grant income received in advance	1,436,639	-
Receipt from grants	426,139	556,584
Net cash provided by operating activities	<u>1,577,162</u>	<u>172,360</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	14,368	-
Purchase of property, plant and equipment	(50,271)	(22,099)
Net cash used in investing activities	<u>(35,903)</u>	<u>(22,099)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	(22,800)	(22,328)
Net cash used in financing activities	<u>(22,800)</u>	<u>(22,328)</u>
<b>Net increase in cash and cash equivalents held</b>	1,518,459	127,933
<b>Cash and cash equivalents at beginning of year</b>	<u>697,196</u>	<u>569,263</u>
<b>Cash and cash equivalents at end of financial year</b>	5 <u>2,215,655</u>	<u>697,196</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 2017

The financial report covers FarmLink Research Limited as an individual entity. FarmLink Research Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

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

Comparatives are consistent with prior years, unless otherwise stated.

The financial report for the year ended 31 December 2017 was approved and authorised for issue by the Board of Directors on 19 February 2018.

### 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, *Corporations Act 2001* and *Corporations Regulations 2001*.

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.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Company are stated in order to assist in a general understanding of the financial statements. These policies have been consistently applied except as otherwise indicated.

#### (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.

# FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

### **Interest revenue**

Interest is recognised using the effective interest method.

### **Membership subscriptions**

Membership subscriptions represent the amount due from members and are recognised equally over the period to which they relate.

### **Research and events revenue**

An agricultural management agreement is in place with Temora Shire Council (Council) to occupy the parcel of land and buildings known as Temora Agricultural Innovation Centre. Under the terms of the agreement, the Company is managing and conducting farming operations on the site on Council's behalf and operating a commercial research and events business in partnership with Council. For the purpose of the agreement, the income generated from commercial research and events business is distributed on 70% Company : 30% Council basis.

### **(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**

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, 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:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
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.

# FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

### (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). Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### **Trade and other receivables**

The Company's trade and other receivables fall into this category of financial instruments. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services but also incorporate other types of contractual monetary assets.

After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment.

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.

#### **Financial liabilities**

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

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

### (f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets. Any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

# FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

### **(g) Leases**

#### ***Finance leases***

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

Finance leases are capitalised by recording 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.

### **(h) 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.

### **(i) 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.

### **(j) 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.

### **(k) Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time at 31 December 2017, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

# FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

### 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.

#### **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

	2017	2016
	\$	\$
Consulting fees	273,818	223,694
Interest received	4,195	5,961
Operating grants	426,139	403,073
Member subscriptions	63,200	71,817
Sponsorship	56,000	50,091
Reimbursements	8,218	16,945
Other revenue	117,996	74,928
	<u>949,566</u>	<u>846,509</u>

# FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

### 5 CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Short-term deposits	1,499,440	-
Savings account	660,178	631,033
Cheque account	56,037	66,163
	<u>2,215,655</u>	<u>697,196</u>

### 6 TRADE AND OTHER RECEIVABLES

Trade receivables	147,165	118,672
Prepayments	875	-
Project work in advance	22,294	12,472
	<u>170,334</u>	<u>131,144</u>

### 7 PROPERTY, PLANT AND EQUIPMENT

Plant and equipment		
At cost	10,000	10,000
Accumulated depreciation	(3,298)	(1,622)
Total plant and equipment	<u>6,702</u>	<u>8,378</u>
Motor vehicles		
At cost	80,405	77,810
Accumulated depreciation	(34,989)	(40,007)
Total motor vehicles	<u>45,416</u>	<u>37,803</u>
Office equipment		
At cost	12,099	12,099
Accumulated depreciation	(6,554)	(1,008)
Total office equipment	<u>5,545</u>	<u>11,091</u>
Low value asset pool		
At cost	9,784	-
Borrowing costs		
At cost	438	656
	<u>67,885</u>	<u>57,928</u>

## FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

**(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 \$	Low Value Asset Pool \$	Borrowing costs \$	Total \$
Balance at 1 January 2017	8,378	37,803	11,091	-	656	57,928
Additions	-	40,487	-	9,784	-	50,271
Disposals - written down value	-	(17,687)	-	-	-	(17,687)
Depreciation expense	(1,676)	(15,188)	(5,545)	-	(218)	(22,627)
<b>Balance at 31 December 2017</b>	<b>6,702</b>	<b>45,415</b>	<b>5,546</b>	<b>9,784</b>	<b>438</b>	<b>67,885</b>



# FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

### 8 TRADE AND OTHER PAYABLES

	2017	2016
	\$	\$
CURRENT		
Trade payables	73,142	29,803
GST payable	22,117	40,110
	<u>95,259</u>	<u>69,913</u>

### 9 BORROWINGS

CURRENT		
Financial leases	-	22,800
	<u>-</u>	<u>22,800</u>

Leased liabilities are secured by the following leased assets:

- Ford Kuga
- Toyota Hilux

As at the date of this report the finance leases have been paid in full.

### 10 OTHER LIABILITIES

CURRENT		
GRDC Grant	1,499,440	-
Amounts received in advance	90,710	153,511
	<u>1,590,150</u>	<u>153,511</u>

### 11 EMPLOYEE BENEFITS

CURRENT		
Annual leave	30,317	28,424
	<u>30,317</u>	<u>28,424</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 the 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 2017 (31 December 2016:None).

# **FARMLINK RESEARCH LIMITED**

**ABN: 23 109 837 505**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

### **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:

- 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 registered office and principal place of business is:

361 Trungley Hall Road  
Temora NSW 2666

# FARMLINK RESEARCH LIMITED

ABN: 23 109 837 505

## DIRECTORS' DECLARATION

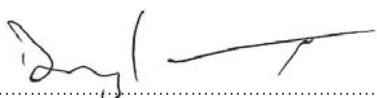
The Directors of the Company declare that:

1. The financial report and notes are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards - Reduced Disclosure Requirements and *Corporations Regulations 2001*; and
  - b. give a true and fair view of the financial position as at 31 December 2017 and of the performance for the year ended on that date of the Company.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director .....  .....

Mr Ronald Heinrich

Director .....  .....

Mr Darryl Harper

Dated 27 February 2018

**FARMLINK RESEARCH LIMITED**

**ABN: 23 109 837 505**

**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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 2017, 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 2017 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.

**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, *Corporations Act 2001* and *Corporations Regulations 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 AUDITOR'S REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**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.

**National Audits Group Pty Ltd  
Authorised Audit Company**



**Steven J Watson  
Managing Director**

**Dated 27 February 2018**

**Wagga Wagga**