

**Remote Vocational
Training Scheme Ltd**

ACN: 122 891 838

Financial Statements
30 June 2016

Remote Vocational Training Scheme Ltd

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Remote Vocational Training Scheme Ltd

Directors' report

The Directors present their report together with the financial statements of Remote Vocational Training Scheme Ltd (the Company) for the year ended 30 June 2016 and the auditor's report thereon.

Directors

The Directors of the Company at any time during or since the financial year are:

Dr Ayman Shenouda

Appointed: 15/10/2011

Occupation: Medical Practitioner
Chair

Dr Timothy Francis

Appointed: 20/09/2013

Occupation: Medical Practitioner
Deputy Chair

Dr Aniello Iannuzzi

Appointed: 11/10/2010

Occupation: Medical Practitioner

Dr Thomas Heaney

Appointed: 05/10/2012

Occupation: Medical Practitioner

Dr Thomas Doolan

Appointed: 20/09/2013

Occupation: Medical Practitioner

Dr Raymond Gadd

Appointed: 20/09/2013

Occupation: Medical Practitioner

Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

Company secretary

Dr Patrick Giddings (Chief Executive Officer) was appointed to the position of Company Secretary on 28 March 2007 and continues to act in this capacity post year end.

Principal activities

The Remote Vocational Training Scheme provides a vocational training program for medical practitioners in Aboriginal and Torres Strait Islander communities and remote and isolated communities throughout Australia.

The Company's short term and long term objectives are to:

- Provide high quality vocational training to doctors in rural and remote communities and Aboriginal Community Controlled Health Services throughout Australia; and
- Contribute to the recruitment and retention of doctors in these communities.

Remote Vocational Training Scheme Ltd

Directors' report (continued)

The Company achieves this through utilising funding provided by the Department of Health. The funding agreement with the Department of Health contains set strategic aims, key deliverables and key performance indicators, which are monitored by the Board on a regular basis.

Indemnification and insurance of officers and auditors

Indemnification

The Company has agreed to indemnify its Directors and Officers in respect of liabilities that may arise from their position as directors and officers of the Company. The Company has not indemnified its auditors, Crowe Horwath.

Insurance premiums

The Company has paid insurance premiums of \$3,729 to insure its Directors and Officers in respect of liabilities that may arise from their position as Directors and Officers of the Company.

Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year are:

	Ordinary Board Meetings	
	No. of Meetings Attended	No. of Meetings Held*
Dr Ayman Shenouda	5	6
Dr Thomas Doolan	6	6
Dr Aniello Iannuzzi	6	6
Dr Thomas Heaney	4	6
Dr Timothy Francis	5	6
Dr Raymond Gadd	6	6

* reflects the number of meetings held during the time the Director held office during the year.

Review of operations

The net profit attributed to the entity for the year ended 30 June 2016 was \$7,430 (2015: nil).

In December 2014 a funding contract variation (variation #4) was signed between the Department of Health (the Department) and the Company, extending the contract to 31 December 2016. The contract provides for the Company to provide training to registrars working in Aboriginal Community Control Health Services (ACCHS) as well as training to doctors in rural and remote communities throughout Australia. We note that on 10 August 2016, the Company received written confirmation from the Department about a further extension of the contract to 31 December 2017, subject to final approval.

Remote Vocational Training Scheme Ltd

Directors' report (continued)

Dividends

The Company is a non-profit public company limited by guarantee and is prevented by its constitution from paying dividends.

State of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs that occurred during the financial year under review, not otherwise disclosed in this report or the financial statements.

Likely developments

There are no significant likely developments not otherwise disclosed in this report.

Events subsequent to reporting date

On 10 August 2016, the Company received written confirmation from the Department about a further extension of the contract to 31 December 2017, subject to final approval.

Other than the above there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 5 and forms part of the Directors' report for the financial year ended 30 June 2016.

Directors' benefits

During or since the end of the financial year, no Director of the Company has received or become entitled to receive a benefit, other than a benefit or other related transactions disclosed in Note 13 and Note 14 of the general purpose financial statements by reason of a contract entered into by the Company with:

- a Director,
- a firm of which a Director is a member, or
- an entity in which a Director has a substantial financial interest.

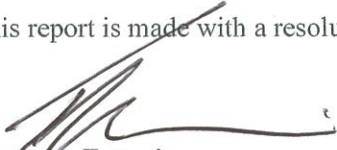
Remote Vocational Training Scheme Ltd

Directors' report (continued)

Members Guarantee

The Company is limited by guarantee. If the Company is wound up, the Memorandum of Association states that every member of the Company undertakes to contribute an amount limited to \$10 per member in the event of winding up the Company during the time he or she is a member or within one year thereafter. As at 30 June 2016 the number of members was 121 (2015: 113 members).

This report is made with a resolution of the Directors:



Timothy Francis
Director



Aniello Iannuzzi
Deputy Chair

Dated at Sydney this 24th day of August 2016.

Lead auditor's independence declaration

To: The Directors of Remote Vocational Training Scheme Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there has been:

- no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



CROWE HORWATH ALBURY



BRADLEY D BOHUN
Partner

Dated at Albury this 24th day of August 2016.

Remote Vocational Training Scheme Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<i>Revenue:</i>			
Grant funding	2	5,910,600	4,777,421
Other non-DoH revenue		11,650	-
Financial income	4	21,713	33,197
Total revenue		5,943,963	4,810,618
<i>Expenses:</i>			
Registrar Costs		2,613,128	2,187,040
Registrar Locum Relief		119,549	94,593
Wages – Program Delivery	3	2,314,916	1,783,004
Quality Assurance		5,826	31,447
Travel – Program Delivery		71,628	64,014
Marketing and Advertising		45,501	41,675
Consumables		360,636	297,088
Wages - Administration	3	323,963	219,150
Board Expenses		46,609	59,927
Insurance		21,347	20,840
Audit Fees		13,430	11,840
Total expenses		5,936,533	4,810,618
Result from operating activities		7,430	-
Profit before tax		-	-
Income tax expense		-	-
Profit for the year after tax		-	-
<i>Other comprehensive income:</i>			
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		7,430	-

The statement of profit or loss and other comprehensive income should be read in conjunction with the notes to and forming part of the financial statements as set out on pages 10 to 20.

Remote Vocational Training Scheme Ltd
Statement of changes in equity
For the year ended 30 June 2016

	2016 \$	2015 \$
Opening balance – retained earnings	71,538	71,538
Net income recognised directly in equity	-	-
Profit for the year	7,430	-
Closing balance – retained earnings	<u>78,968</u>	<u>71,538</u>

The statement of changes in equity should be read in conjunction with the notes to and forming part of the financial statements as set out on pages 10 to 20.

Remote Vocational Training Scheme Ltd
Statement of financial position
As at 30 June 2016

	Note	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	5	1,937,576	2,022,542
Trade and other receivables	6	1,183	48
Other assets	7	195,246	167,519
Total current assets		2,134,005	2,190,109
Non-current assets			
Property, plant & equipment	8	155,618	72,693
Other assets	7	13,175	13,175
Total non-current assets		168,793	85,868
Total assets		2,302,798	2,275,977
Current liabilities			
Trade and other payables	9	399,188	439,608
Grants in advance	10	1,541,145	1,571,745
Employee benefits	11	230,094	125,538
Total current liabilities		2,170,427	2,136,891
Non-current liabilities			
Employee benefits	11	53,403	67,548
Total non-current liabilities		53,403	67,548
Total liabilities		2,223,830	2,204,439
Net assets		78,968	71,538
Equity			
Retained earnings	12	78,968	71,538
Total equity		78,968	71,538

The statement of financial position should be read in conjunction with the notes to and forming part of the financial statements as set out on pages 10 to 20.

Remote Vocational Training Scheme Ltd
Statement of cash flows
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Cash receipts from government funding		6,468,000	5,559,950
Cash receipts from other non-DoHA revenue		12,815	-
Cash paid to suppliers and employees		(6,459,307)	(5,048,490)
Interest received		19,946	35,529
Net cash from operating activities	17	<u>41,454</u>	<u>546,989</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(126,420)	(45,537)
Proceeds from sale of property, plant and equipment		-	-
Net cash from investing activities		<u>(126,420)</u>	<u>(45,537)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(84,966)</u>	<u>501,452</u>
Cash at the beginning of the financial year		<u>2,022,542</u>	<u>1,521,090</u>
Cash at the end of the financial year	5	<u>1,937,576</u>	<u>2,022,542</u>

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 20.

Remote Vocational Training Scheme Ltd

Notes to and forming part of the financial statements

For the year ended 30 June 2016

1. Significant accounting policies

Remote Vocational Training Scheme Ltd ('the Company') is a Company domiciled in Australia.

The address of the Company's registered office is 491 Smollett Street, Albury, NSW. The business address of the Company is currently Suite 7, 539 Kiewa Street, Albury, NSW, 2640.

The financial statements were authorised for issue by the Directors on 24th August 2016.

The Company was incorporated on 28 November 2006 as a Company limited by Guarantee. In accordance with the Memorandum of Association and the Company, every member of the Company undertakes to contribute an amount limited to \$10 per member in the event of winding up the Company during the time he or she is a member or within one year thereafter. As at 30 June 2016 the number of members was 121 (2015: 113 members).

(a) Statement of compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-Profits Commission Act 2012*.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following: Financial instruments at fair value through profit or loss are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Notes 1(f) and 10.

Remote Vocational Training Scheme Ltd
Notes to and forming part of the financial statements
For the year ended 30 June 2016 (continued)

1. Significant accounting policies (continued)

(e) Not-For-Profit status

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Financial Reporting Standards (IFRS) requirements. The Company has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently where appropriate the Company has elected to apply options and exemptions within AIFRS that are applicable to not-for-profit entities.

(f) Revenue recognition

Grant revenue

Revenues from grants and subsidies are recognised when received or due for receipt, unless there is a reciprocal right to those monies from external parties. Where there is a reciprocal transfer, AASB 118 *Revenue* applies, and unspent funds are held as income in advance as described in Note 10.

Interest income

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Asset sales

The gain or loss on disposal of non-current asset sales are recognised at the date control passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

(g) Expenses

Operating lease payments

Payments made under operating leases are recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash balances, at call deposits and other deposits with original maturities of three months or less. Where applicable, bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(i) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses.

Remote Vocational Training Scheme Ltd
Notes to and forming part of the financial statements
For the year ended 30 June 2016 (continued)

1. Significant accounting policies (continued)

(j) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation and amortisation

Items of property, plant and equipment are depreciated over their estimated useful lives from the date of acquisition. All property, plant and equipment are depreciated using either the diminishing value or straight line method depending on the pattern of consumption.

Estimated useful lives for the current and comparative years are as follows:

- Office equipment 2 - 13 years

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. Trade payables are non-interest bearing and are normally settled within 30-day terms.

(l) Provision for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Remote Vocational Training Scheme Ltd
Notes to and forming part of the financial statements
For the year ended 30 June 2016 (continued)

1. Significant accounting policies (continued)

(m) Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

(n) Income tax

The Company is exempt from the payment of income tax.

(o) Goods and services tax

Revenues, 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). In these circumstances the GST is recognised as part of the cost of acquisition or as part of the item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

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

(p) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Remote Vocational Training Scheme Ltd
Notes to and forming part of the financial statements
For the year ended 30 June 2016 (continued)

1. Significant accounting policies (continued)

(q) Segment reporting

AASB 114 Segment Reporting states that it does not apply to general purpose financial statements of not-for-profit entities. The Directors of the Company have stated in Note 1(e) that the Company is a not-for-profit entity.

(r) Financial income and expenses

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

(s) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(t) Comparatives

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

Remote Vocational Training Scheme Ltd
Notes to and forming part of the financial statements
For the year ended 30 June 2016 (continued)

	2016	2015
	\$	\$
2. Revenue		
Grant funding from Department of Health	5,910,600	4,777,421
Refer to Note 10 for details regarding income in advance requirements for this funding.		
Reconciliation		
Total grant funds received during the year (cash basis)	5,880,000	5,054,500
<i>add:</i> Opening income in advance	1,571,745	1,294,666
<i>less:</i> Closing income in advance	(1,541,145)	(1,571,745)
Total grant revenue (per above)	5,910,600	4,777,421

3. Salaries and wages

Wages and salaries	2,332,092	1,806,691
Movement in employee leave entitlements	90,411	27,560
Superannuation	216,376	167,903
	2,638,879	2,002,154

Represented in Statement of profit or loss and other comprehensive income as Wages – Program Delivery and Wages - Administration.

4. Net financing income

Interest income	21,713	33,197
Bank fees	(1,767)	(1,602)
Net financing income	19,946	31,595

Bank fees are included in 'Consumables' within the Statement of profit or loss and other comprehensive income.

5. Cash and cash equivalents

Cash at bank – Department of Health funds	1,853,663	1,939,006
Cash at bank – other funds	71,537	71,457
Term deposit	12,376	12,079
	1,937,576	2,022,542

The term deposit is held to offset a security deposit guarantee of \$10,500, in regards to the lease agreement of the Company's current office. The favouree of the security deposit guarantee is the lessor (Alessi Australia Pty Ltd).

Remote Vocational Training Scheme Ltd
Notes to and forming part of the financial statements
For the year ended 30 June 2016 (continued)

	2016 \$	2015 \$
6. Trade and other receivables		
Accrued interest	1,183	48
	1,183	48
7. Other assets		
<i>Current</i>		
Prepayments	177,748	104,675
Deposits	17,498	62,844
	195,246	167,519
<i>Non current</i>		
Bonds	13,175	13,175
	13,175	13,175
8. Property, plant & equipment		
Office equipment		
Cost	285,471	159,051
Accumulated depreciation	(129,853)	(86,358)
	155,618	72,693
Reconciliation		
Opening written down value	72,693	43,297
Additions	126,420	45,537
Disposals	-	-
Depreciation	(43,495)	(16,141)
Closing written down value	155,618	72,693
<p>At 30 June 2016 there were three assets which were purchased with money from The Royal Australian College of General Practitioners and were not purchased with funding provided by the Department of Health. These totalled \$2,188 at cost, and had a carrying value of \$935 (2015: \$1,024) at balance date, and are included in the above closing written down value.</p>		
9. Trade and other payables		
Trade payables	82,516	249,440
Other payables and accruals	316,672	190,168
	399,188	439,608

Remote Vocational Training Scheme Ltd
Notes to and forming part of the financial statements
For the year ended 30 June 2016 (continued)

	2016	2015
	\$	\$
10. Grants in advance		
Income in advance - Department of Health	<u>1,541,145</u>	<u>1,571,745</u>
	<u>1,541,145</u>	<u>1,571,745</u>

As stated in Note 1, the Company is a not for profit entity for the purposes of AIFRS. The Company receives government funding from the Department of Health, which is deemed to be a reciprocal transfer under AASB 118 *Revenue*. On this basis, unspent funds are held as income in advance (unless formally agreed otherwise). Should repayment to the Department of Health be required, the solvency of the organisation is not impacted as the Company holds these funds as deferred income.

All carried forward funds from the previous period must be spent in accordance with the agreement and therefore are treated as a reciprocal transfer.

In the current variation, the Department of Health agreed for the Company to retain a maximum of 90 days funding for the purpose of covering current liabilities, comprised of previously unspent funds. The provision for liability coverage amount at the end of 30 June 2016 is \$1,449,862 (excluding GST), and is included within the income in advance amount noted above.

We note that on 10 August 2016, the Company received written confirmation from the Department about a further extension of the contract to 31 December 2017, subject to final approval.

The Company continues to negotiate with the Department of Health with regards to further extensions of the funding agreement.

Remote Vocational Training Scheme Ltd
Notes to and forming part of the financial statements
For the year ended 30 June 2016 (continued)

	2016	2015
	\$	\$
11. Employee benefits		
<i>Current</i>		
Long Service Leave	34,790	-
Annual leave	195,304	125,538
	230,094	125,538
<i>Non current</i>		
Long Service Leave	53,403	67,548
	53,403	67,548
12. Retained earnings		
Opening retained profit	71,538	71,538
Profit attributable to the entity for the period	7,430	-
Retained profits at 30 June	78,968	71,538

13. Key management personnel disclosures

Key management personnel compensation

The key management personnel compensation included in 'wages', 'board expenses', 'register costs' and 'quality assurance' (see Statement of profit or loss and other comprehensive income) are as follows:

Short-term employee benefits	257,628	263,841
Post employment benefits	17,112	17,826
Termination benefits	-	-
Other long term benefits	(1,875)	4,230
	272,865	285,897

Remuneration is paid to directors for attendance at board meetings and associated commitments.

The following were key management personnel of the Company at any time during the reporting year, and unless otherwise indicated were key management personnel for the entire year:

Directors

The names of each person holding the position of Director of Remote Vocational Training Scheme Ltd during the financial year are:

- | | |
|-----------------------|---------------------|
| • Dr Ayman Shenouda | <i>Chair</i> |
| • Dr Timothy Francis | <i>Deputy Chair</i> |
| • Dr Thomas Doolan | <i>Deputy Chair</i> |
| • Dr Aniello Iannuzzi | |
| • Dr Thomas Heaney | |
| • Dr Raymond Gadd | |

Remote Vocational Training Scheme Ltd
Notes to and forming part of the financial statements
For the year ended 30 June 2016 (continued)

14. Related parties

Dr Tom Doolan and Dr Thomas Heaney are Directors, as well as supervisors in the program. Separate agreements are in place for their roles as supervisor. Supervisor payments are included in the above Key Management Personal compensation.

Dr Ayman Shenouda is also a Director of The Royal Australian College of General Practitioners ('RACGP'), of which the Company has had previous transactions with as described in Note 8.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors' interests at year end.

Executives

Dr Patrick Giddings – Chief Executive Officer and Company Secretary.

15. Statutory status and constitution

The Company was incorporated as a public Company limited by Guarantee on 28 November 2006.

16. Superannuation

The Company contributes to employees' superannuation plans in accordance with the Superannuation Guarantee Contribution legislation.

Remote Vocational Training Scheme Ltd
Notes to and forming part of the financial statements
For the year ended 30 June 2016 (continued)

	2016	2015
	\$	\$
17. Reconciliation of cash flows from operating activities		
Cash flows from operating activities		
Profit/(loss) for the year	7,430	-
<i>Adjustments for:</i>		
Depreciation and amortisation	43,495	16,141
Operating profit before changes in working capital and provisions	50,925	16,141
(Increase)/decrease in trade and other receivables	(1,135)	2,332
(Increase)/decrease in other assets	(27,727)	(19,835)
Increase/(decrease) in grants in advance	(30,600)	277,079
Increase/(decrease) in employee benefits	90,411	27,560
Increase/(decrease) in trade and other payables	(40,420)	243,712
Net cash from operating activities	41,454	546,989

18. Subsequent events

On 10 August 2016, the Company received written confirmation from the Department about a further extension of the contract to 31 December 2017, subject to final approval.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

19. Economic dependency

The Company is economically dependent on government funding, specifically funding received from the Department of Health (the Department). The current funding agreement is expiring on 31 December 2016, following the latest variation extension entered into in December 2014 (variation #4).

We note that on 10 August 2016, the Company received written confirmation from the Department about a further extension of the contract to 31 December 2017, subject to final approval.

At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support the Company.

Remote Vocational Training Scheme Ltd Directors' declaration

The directors of Remote Vocational Training Scheme Ltd declare that:

- A. the financial statements and notes as set out on pages 6 to 20, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* including:
 - a. giving a true and fair view of the financial position of the Company as at 30 June 2016, and of its performance, as represented by the results of its operations and its cash flows for the financial year ended 30 June 2016; and
 - b. complying with Australia Accounting Standards – Reduced Disclosure Regime.
- B. 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 directors made pursuant to the *Australian Charities and Not-for-Profits Commission Act 2012*.

Dated this 24th day of August 2016.



Timothy Francis
Director



Aniello Iannuzzi
Deputy Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REMOTE VOCATIONAL TRAINING SCHEME LTD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Remote Vocational Training Scheme Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other 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 statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal controls as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial statements that give a true and fair view 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 controls. 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 statements.

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



AUDITOR'S OPINION

In our opinion, the financial statements of Remote Vocational Training Scheme Ltd are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012*.

A handwritten signature in black ink, appearing to read "Bradley D Bohun".

CROWE HORWATH ALBURY

A handwritten signature in black ink, appearing to read "Bradley D Bohun".

BRADLEY D BOHUN

Partner

Dated at Albury this 24 day of August 2016.