

# **Remote Vocational Training Scheme Ltd**

ACN: 122 891 838

Financial Statements  
30 June 2020

# 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 2020 and the auditor's report thereon.

### Directors

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

Dr Jacki Mein  
*Appointed:* 02/10/2018  
*Occupation:* Medical Practitioner  
Chair

Dr Rodney Omond  
*Appointed:* 15/09/2017  
*Occupation:* Medical Practitioner

Dr Vladislav Matic  
*Appointed:* 30/09/2016  
*Occupation:* Medical Practitioner

Dr Ross Wilson  
*Appointed:* 22/06/2019  
*Occupation:* Medical Practitioner

Dr Eugene Wong  
*Appointed:* 15/09/2017  
*Occupation:* Medical Practitioner

Dr Thomas Doolan  
*Appointed:* 20/09/2013  
*Resigned:* 26/09/2019  
*Occupation:* Medical Practitioner

Dr Meryl Nicol  
*Appointed:* 26/09/2019  
*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.

#### Insurance premiums

The Company has paid insurance premiums of \$4,204 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 (ordinary board and annual general meetings) attended by each of the Directors of the Company during the financial year are:

	No. of Meetings Attended	No. of Meetings Held*
Dr Jacki Mein	5	6
Dr Vladislav Matic	5	6
Dr Eugene Wong	5	6
Dr Rodney Omond	6	6
Dr Ross Wilson	5	6
Dr Meryl Nicol ( <i>Appointed 26/9/2019</i> )	4	5
Dr Thomas Doolan ( <i>Resigned 26/09/2019</i> )	1	1

\* 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 2020 was \$127,193 (2019: \$84,223).

In March 2020 a new funding contract was signed between the Department of Health (the Department) and the Company, extending the funding to 31 December 2021. The contract provides for the Company to deliver training to registrars working in Aboriginal Community Control Health Services (ACCHS) as well as training to doctors in rural and remote communities throughout Australia.

The Coronavirus (COVID-19) outbreak, which has become a continuing global pandemic has been presenting strategic, operational and commercial uncertainties for the Company. The situation is changing rapidly and there are increased uncertainties around the duration, scale and impact of COVID-19. The Company is taking various measures to mitigate the impact on its operations including employees, directors and students. The Board and management team highlight that the impact of the pandemic in the current reporting period was insignificant, however the Board and management team will continue to assess the potential impacts on the business in future reporting periods.

# 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

Other than the acknowledgement of the continuing global pandemic known as coronavirus (COVID-19) and the uncertainties surrounding its nature detailed in Note 1(e) and Note 19, 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 2020.

### 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.

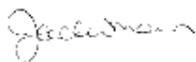
# Remote Vocational Training Scheme Ltd

## 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 2020 the number of members was 167 (2019: 184 members).

This report is made with a resolution of the Directors:



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Director

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Director

Dated this 19th day of August 2020.



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**Lead auditor's independence declaration under 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012***

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 2020 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.

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

**CROWE ALBURY**

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

**BRADLEY D BOHUN**  
Partner

Dated this 19<sup>th</sup> day of August 2020.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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**Remote Vocational Training Scheme Ltd**  
**Statement of profit or loss and other comprehensive income**  
**for the year ended 30 June 2020**

	Note	2020 \$	2019 \$
<i>Revenue:</i>			
Grant funding	2	6,177,438	6,167,749
Other non-DoH revenue		229,746	112,707
Financial income	4	5,670	14,290
Total revenue		6,412,854	6,294,746
<i>Expenses:</i>			
Registrar Costs		2,705,868	2,527,637
Registrar Locum Relief		30,500	32,705
Wages – Program Delivery	3	2,409,239	2,437,114
Quality Assurance		101,477	79,595
Travel – Program Delivery		34,392	62,070
Marketing and Advertising		97,232	121,802
Consumables		544,447	497,719
Wages - Administration	3	224,746	285,008
Board Expenses		83,098	134,398
Insurance		31,292	17,406
Audit Fees		23,370	15,070
Total expenses		6,285,661	6,210,523
<b>Profit before tax</b>		<b>127,193</b>	<b>84,223</b>
Income tax expense		-	-
<b>Profit for the year after tax</b>		<b>127,193</b>	<b>84,223</b>
<i>Other comprehensive income:</i>			
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive income for the year</b>		<b>127,193</b>	<b>84,223</b>

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 22.

**Remote Vocational Training Scheme Ltd**  
**Statement of changes in equity**  
**for the year ended 30 June 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Opening balance – retained earnings	179,138	94,915
Net income recognised directly in equity	-	-
Profit for the year	127,193	84,223
<b>Closing balance – retained earnings</b>	<b><u>306,331</u></b>	<b><u>179,138</u></b>

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 22.

**Remote Vocational Training Scheme Ltd**  
**Statement of financial position**  
**as at 30 June 2020**

	Note	2020 \$	2019 \$
<b>Current assets</b>			
Cash and cash equivalents	5	3,400,597	2,862,335
Trade and other receivables	6	12,689	176
Other assets	7	176,790	226,753
<b>Total current assets</b>		<b>3,590,076</b>	<b>3,089,264</b>
<b>Non-current assets</b>			
Property, plant & equipment	8	342,250	173,092
Other assets	7	16,658	16,658
<b>Total non-current assets</b>		<b>358,908</b>	<b>189,750</b>
<b>Total assets</b>		<b>3,948,984</b>	<b>3,279,014</b>
<b>Current liabilities</b>			
Trade and other payables	9	493,013	441,946
Contract liabilities	10	2,702,598	2,217,036
Employee benefits	11	363,984	375,893
<b>Total current liabilities</b>		<b>3,559,595</b>	<b>3,034,875</b>
<b>Non-current liabilities</b>			
Employee benefits	11	83,058	65,001
<b>Total non-current liabilities</b>		<b>83,058</b>	<b>65,001</b>
<b>Total liabilities</b>		<b>3,642,653</b>	<b>3,099,876</b>
<b>Net assets</b>		<b>306,331</b>	<b>179,138</b>
<b>Equity</b>			
Retained earnings	12	306,331	179,138
<b>Total equity</b>		<b>306,331</b>	<b>179,138</b>

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 22.

**Remote Vocational Training Scheme Ltd**  
**Statement of cash flows**  
**for the year ended 30 June 2020**

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Cash receipts from government funding		7,329,300	7,213,800
Cash receipts from other non-DoHA revenue		252,721	123,979
Cash paid to suppliers and employees		(6,788,889)	(6,776,009)
Interest received		5,670	14,290
<b>Net cash from operating activities</b>	17	<b>798,802</b>	<b>576,059</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(260,540)	(126,808)
Proceeds from sale of property, plant and equipment		-	-
<b>Net cash from/(used in) investing activities</b>		<b>(260,540)</b>	<b>(126,808)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>538,262</b>	<b>449,251</b>
<b>Cash at the beginning of the financial year</b>		<b>2,862,335</b>	<b>2,413,084</b>
<b>Cash at the end of the financial year</b>	5	<b>3,400,597</b>	<b>2,862,335</b>

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 22.

# **Remote Vocational Training Scheme Ltd**

## **Notes to and forming part of the financial statements**

### **for the year ended 30 June 2020**

#### **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 and business address is Suite 7, 539 Kiewa Street, Albury, NSW.

The financial statements were authorised for issue by the Directors on 19<sup>th</sup> August 2020.

The Company was incorporated on 28 November 2006 as a Company limited by Guarantee. In accordance with the Memorandum of Association of 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 2020 the number of members was 167 (2019: 184 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) Going concern**

The spread of the global pandemic, coronavirus (COVID-19) since January 2020 has resulted in the Australian Government introducing a range of measures aimed at mitigating the spread of the virus within the community. COVID-19 presents some strategic, operational and commercial uncertainties for the Company. These measures and the economic uncertainty surrounding them have continued post 30 June 2020.

The ramifications of COVID-19 have not had a material impact on the Company's ability to continue as a going concern post 30 June 2020. However, the Company will continue to monitor the effects of COVID-19 and take appropriate business decisions as required.

#### **(d) Functional and presentation currency**

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

#### **(e) 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.

# **Remote Vocational Training Scheme Ltd**

## **Notes to and forming part of the financial statements for the year ended 30 June 2020 (continued)**

### **1. Significant accounting policies (continued)**

#### **(e) Use of estimates and judgements (continued)**

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.

##### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the services offered, participants, staffing and geographic locations in which the Company operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

#### **(f) 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.

#### **(g) Revenue recognition**

##### *Accounting policy applicable from 1 July 2019*

##### *Grant revenue*

Revenues from grants and subsidies are recognised when received or due for receipt, unless there is a performance obligation contractually attached to those monies from external parties. Where there is a contractual performance obligation attached to monies, AASB 15 *Revenue from Contracts with Customers* applies, and unspent funds are held as contract liabilities 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).

##### *Accounting policy applicable before 1 July 2019*

##### *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.

# **Remote Vocational Training Scheme Ltd**

## **Notes to and forming part of the financial statements for the year ended 30 June 2020 (continued)**

### **1. Significant accounting policies (continued)**

#### **(g) Revenue recognition**

*Accounting policy applicable before 1 July 2019 (continued)*

##### ***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).

#### **(h) Expenses**

##### ***Short term lease payments***

Payments made under the short-term lease exemption within AASB 16 *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. Refer to Note 1(t) for details of the adoption of AASB 16 from 1 July 2019 by the Company.

#### **(i) 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.

#### **(j) Trade and other receivables**

Trade and other receivables are stated at their cost less any allowance for expected credit losses.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure expected credit losses, accounts receivable and other debtors have been grouped based on days overdue.

#### **(k) 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.



# **Remote Vocational Training Scheme Ltd**

## **Notes to and forming part of the financial statements for the year ended 30 June 2020 (continued)**

### **1. Significant accounting policies (continued)**

#### **(o) Income tax**

The Company is exempt from the payment of income tax.

#### **(p) 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.

#### **(q) 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 the 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 the 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.

#### **(r) 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.

# **Remote Vocational Training Scheme Ltd**

## **Notes to and forming part of the financial statements**

### **for the year ended 30 June 2020 (continued)**

#### **1. Significant accounting policies (continued)**

##### **(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 principal 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.

##### **(u) New or amended accounting standards and interpretations adopted**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

These include:

*AASB 15 Revenue from Contracts with Customers*

*AASB 16 Leases*

*AASB 1058 Income of Not-for-profit Entities*

##### *Impact of adoption*

The adoption of AASB 15 and AASB 1058 has not resulted in any changes to the Company's recognition of revenue and accordingly has not materially impacted the Company's financial statements.

##### *AASB 16 Leases*

AASB 16 removes the current operating and finance lease distinction for lessees and requires entities to recognise all material leases on the statement of financial position. AASB 16 requires the recognition of a right-of-use asset and a corresponding lease liability at the commencement of all leases, except for short-term leases and leases of low value assets. Where applicable, the Company has elected to apply the modified retrospective method of adoption. At the date of initial application, 1 July 2019, the Company did not have any transitional adjustments to right-of-use assets and lease liability given the only lease held by the Company is classified as a short-term. The one lease held by the Company is for the right of use of the office premises on Kiewa Street in Albury, NSW. The most recent lease agreement expired during the current reporting period and the Company are currently working through a strategic plan for the future office location of the Company which at balance date, had not yet been determined.

**Remote Vocational Training Scheme Ltd**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2020 (continued)**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>2. Revenue</b>		
Grant funding from Department of Health	6,177,438	6,167,749

Refer to Note 10 for details regarding contract liability requirements for this funding.

***Reconciliation***

Total grant funds received during the year (cash basis, excluding GST)	6,663,000	6,558,000
<i>add:</i> Opening contract liabilities	2,217,036	1,826,785
<i>less:</i> Closing contract liabilities	<u>(2,702,598)</u>	<u>(2,217,036)</u>
Total grant revenue (per above)	<u><u>6,177,438</u></u>	<u><u>6,167,749</u></u>

**3. Salaries and wages**

Wages and salaries	2,412,101	2,417,192
Movement in employee leave entitlements	6,148	85,992
Superannuation	<u>215,736</u>	<u>218,937</u>
	<u><u>2,633,985</u></u>	<u><u>2,722,121</u></u>

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

**4. Net financing income**

Interest income	5,670	14,290
Bank fees	<u>(1,435)</u>	<u>(1,404)</u>
Net financing income	<u><u>4,235</u></u>	<u><u>12,886</u></u>

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	3,293,377	2,757,050
Cash at bank – other funds	89,993	88,409
Term deposit	<u>17,227</u>	<u>16,877</u>
	<u><u>3,400,597</u></u>	<u><u>2,862,335</u></u>

**Remote Vocational Training Scheme Ltd**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2020 (continued)**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>6. Trade and other receivables</b>		
Accounts receivable	189	176
Other receivable	12,500	-
	12,689	176
<b>7. Other assets</b>		
<i>Current</i>		
Prepayments	126,245	112,240
Deposits	50,545	114,513
	176,790	226,753
<i>Non current</i>		
Bonds	16,658	16,658
	16,658	16,658
<b>8. Property, plant &amp; equipment</b>		
<b>Office equipment</b>		
Cost	635,462	385,206
Accumulated depreciation	(293,212)	(212,114)
	342,250	173,092
<i>Reconciliation</i>		
Opening written down value	173,092	94,596
Additions	260,540	126,808
Disposals	(2,112)	(795)
Depreciation	(89,270)	(47,517)
Closing written down value	342,250	173,092
<b>9. Trade and other payables</b>		
Trade payables	57,074	67,326
Other payables and accruals	435,939	374,620
	493,013	441,946

**Remote Vocational Training Scheme Ltd**  
**Notes to and forming part of the financial statements**  
**For the year ended 30 June 2020 (continued)**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>10. Contract liabilities</b>		
Income in advance – approved carried forward regarding office relocation / refit (1)	201,265	-
Income in advance - carried forward unspent funds from 2020-2021 funding	2,196,030	-
Income in advance - carried forward unspent funds from 2018-2020 funding (2)	305,303	-
Income in advance - carried forward unspent funds from 2018-2019 funding	-	390,251
Income in advance – approved carried forward unspent funds from 2017-2018	-	273,501
Income in advance – 90 days of funding	-	1,553,284
	<u>2,702,598</u>	<u>2,217,036</u>

- (1) In the current year the Department approved the allocation of \$201,265 of carried forward unspent funds for the provision of an office relocation or refit for the Company which at balance date, the direction as to which the Company will take had not yet been determined.
- (2) These carried forward unspent funds from 2018-2020 were approved by the Department of Health in March 2020 via the new funding contract extending the funding to the Company until 31 December 2021.

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, of which specifies a single performance obligation that is delivered over time under AASB 15 *Revenue from Contracts with Customers*. On this basis, unspent funds are held as a contract liability. Should repayment to the Department of Health be required, the solvency of the organisation is not impacted as the Company holds these funds as contract liabilities.

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

**Remote Vocational Training Scheme Ltd**  
**Notes to and forming part of the financial statements**  
**for the year ended 30 June 2020 (continued)**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>11. Employee benefits</b>		
<i>Current</i>		
Long service leave	96,154	86,728
Annual leave, time in lieu and study leave	267,830	289,165
	363,984	375,893
<i>Non current</i>		
Long Service Leave	83,058	65,001
	83,058	65,001
<b>12. Retained earnings</b>		
Opening retained profits	179,138	94,915
Profit attributable to the entity for the year	127,193	84,223
Retained profits at 30 June	306,331	179,138

**13. Key management personnel disclosures**

**Key management personnel compensation**

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

Total Compensation	363,724	355,388
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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 Jacki Mein – Chair *Appointed: 02/10/2018*
- Dr Vladislav Matic *Appointed: 30/09/2016*
- Dr Eugene Wong *Appointed: 15/09/2017*
- Dr Rodney Omond *Appointed: 15/09/2017*
- Dr Ross Wilson *Appointed: 22/06/2019*
- Dr Meryl Nicol *Appointed: 26/09/2019*
- Dr Thomas Doolan *Resigned: 20/09/2019*

# Remote Vocational Training Scheme Ltd

## Notes to and forming part of the financial statements for the year ended 30 June 2020 (continued)

### 14. Related parties

Dr Meryl Nicol (Appointed September 2019) was a Director, as well as a PEP Mentor, Webinar Facilitator and Clinical Teaching Visitor in the program. Separate agreements are in place for these roles. Payments are included in the above Key Management Personnel compensation.

Dr Rodney Omond (Appointed September 2017) is also a Director of the Royal Australian College of General Practitioners ('RACGP') Rural Board and committee member of the RACGP Rural Education Committee, which the Company has had previous transactions with.

Dr Ross Wilson (Appointed June 2019) is a member of the RACGP Rural Faculty Education Committee, which the Company has had previous transactions with.

Dr Eugene Wong (Appointed September 2017) is a Committee member of RACGP Rural Education Committee and the Australian College of Rural and Remote Medicine ('ACRRM'), which the Company has had previous transactions with.

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' interest at year end.

#### *Executives*

Dr Patrick Giddings – Chief Executive Officer and Company Secretary.

### 15. Leases

The Company are a party to one lease agreement that is for the Company's right of use of the office premises on Kiewa Street in Albury, NSW. The most recent lease agreement expired during the current reporting period and the Company are currently working through a strategic plan for the future office location of the Company which at balance date, had not yet been determined. As such, at the end of the current reporting period the minimum lease payment committed to is equal to one month of rent.

*Short term lease payment recognised in statement of profit or loss and other comprehensive income for the current reporting period*

Short-term lease payments #	94,679	-
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*Minimum lease commitments payable but not recognised in the financial statements:*

Within one year #	6,903	-
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# Due to adoption of AASB 16 *Leases* using the modified retrospective transition method, comparatives have not been stated.

### 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 2020 (continued)**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>17. Reconciliation of cash flows from operating activities</b>		
<b>Cash flows from operating activities</b>		
Profit for the year	127,193	84,223
<i>Adjustments for:</i>		
Depreciation and amortisation	89,270	47,517
Loss/(Gain) on sale of property, plant and equipment	2,112	795
<b>Operating profit before changes in working capital and provisions</b>	<b>218,575</b>	<b>132,535</b>
(Increase)/decrease in trade and other receivables	(12,513)	1,411
(Increase)/decrease in other assets	49,963	(45,344)
Increase/(decrease) in contract liabilities	485,562	390,251
Increase/(decrease) in employee benefits	6,148	85,992
Increase/(decrease) in trade and other payables	51,067	11,214
<b>Net cash from operating activities</b>	<b>798,802</b>	<b>576,059</b>
<b>18. Financial instruments</b>		
<b>Financial assets</b>		
<i>Financial assets at amortised cost</i>		
Cash and cash equivalents	3,400,597	2,862,335
Trade and other receivables	12,689	176
Total financial assets	<b>3,413,286</b>	<b>2,862,511</b>
<b>Financial liabilities</b>		
<i>Financial liabilities at amortised cost</i>		
Trade and other payables	493,013	441,946
Total financial liabilities	<b>493,013</b>	<b>441,946</b>

# **Remote Vocational Training Scheme Ltd**

## **Notes to and forming part of the financial statements**

### **for the year ended 30 June 2020 (continued)**

#### **19. Subsequent events**

The Coronavirus (COVID-19) outbreak, which has become a global pandemic continues to present strategic, operational and commercial uncertainties for the Company. The situation is changing rapidly and there are increased uncertainties around the duration, scale and impact of COVID-19. The Company is taking various measures to mitigate the impact on its operations including directors, employees, and participants. The Board and management team continue to assess the potential impacts on the business, however given the future continued uncertainties the financial impact cannot be determined.

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.

#### **20. 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 2021.

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

#### **21. Statutory status and constitution**

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

# Remote Vocational Training Scheme Ltd

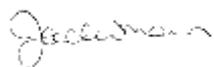
## Directors' declaration

The directors of Remote Vocational Training Scheme Ltd declare that:

- A. the financial statements and notes as set out on pages 6 to 22, 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 2020, and of its performance, as represented by the results of its operations and its cash flows for the financial year ended 30 June 2020; 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.

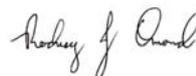
This declaration is made in accordance with a resolution of the directors made pursuant to the *Australian Charities and Not-for-Profits Commission Act 2012*.

Dated this 19<sup>th</sup> day of August 2020.



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Director



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Director

# Remote Vocational Training Scheme Ltd

## Independent Auditor's Report to the Members of Remote Vocational Training Scheme Ltd

### Opinion

We have audited the financial report of Remote Vocational Training Scheme Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, 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 has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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

## Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the 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 – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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 ability of the Company 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.

## 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 the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.



**CROWE ALBURY**



**BRADLEY D BOHUN**  
Partner

Dated this 19<sup>th</sup> day of August 2020.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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