

**Australian Alpaca Association
Limited**

A.C.N. 067 146 481

A.B.N 30 067 146 481

**SPECIAL PURPOSE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED
30 JUNE 2021**

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Australian Alpaca Association Limited
ABN 30 067 146 481
Directors' Report for the year ended 30 June 2021

The directors present their report together with the financial report of the Australian Alpaca Association Limited ("the Company") for the year ended 30 June 2021 and the auditor's report thereon.

Information on directors

Name: **Mr Brett Fallon (President since 23 November 2020; appointed Board Director May 2020)**

Qualifications: Bachelor of Agribusiness - Marketing

Experience and expertise: Agribusiness Finance

Name: **Ms Prue Walduck (Vice President)**

Qualifications: B. Bus (Human Resource Management)

Experience and expertise: Full-time alpaca farmer since 2008. 30 years in senior positions in the Retail, Finance and Community Development sectors including Group Human Resources Manager and a member of Executive Management Team in the banking sector.

Name: **Ms Carolyn Austin (Treasurer)**

Qualifications: Diploma in Contract Management

Experience and expertise: 25 years finance officer, management accountant, contracts officer at Australian National University

Name: **Ms Sarah Wheeler**

Qualifications: Registered Nurse B.Sc. (Hons) Gerontology, Manchester; Diploma of Higher Education Professional Practice (Nursing) Canterbury Christ Church.

Experience and expertise: 32yrs of general and specialized nursing practice. Nurse mentor and educator.

Name: **Mr Michael (Mick) Williams**

Qualifications: Graduate Certificate Commerce and Agribusiness – Charles Sturt University, Master's degree in Taekwondo – the University of Wollongong and Kukkiwon Korea; Diploma of Management Toyota Training Institute, Certificate IV in Frontline Management; Certificate IV in Wool Classing

Experience and expertise: 28 years in the Motor Trade including 18 years in Automotive Executive Management, 4 years as a Board Member of the Motor Traders Association – Governing Council, Board of Illawarra Multicultural Society for one 2 year term. Partner in Storybook and Coolawarra Alpacas, Partner Just for Kicks Taekwondo, Director Storybook Holdings and Director Waratah Alpaca Fiber Co-op

Australian Alpaca Association Limited
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Directors' Report for the year ended 30 June 2021

Name: **Ms Lee Sadler** (appointed 3 December 2020)

Qualifications: B.Pharm FACP FGLF

Experience and expertise: Pharmacist – clinical and business experience; Extensive Board experience; University Lecturer

Name: **Ms Julianne (Julie) Wilkinson** (appointed 3 December 2020)

Qualifications: BSc, MEnvS

Experience and expertise: Maths/Science Secondary School Teacher, and Senior Environmental Scientist and Environmental Business Strategist roles. Director of Synnot & Wilkinson since 1995; Owner Baarrooka Vineyards since 1995 and Owner, Baarrooka Alpacas since 2001.

Name: **Dr Catherine (Cathi) McMullen** (resigned 24 November 2020)

Qualifications: Doctor of Education UTS, Bachelor of Commerce (Marketing) UNSW

Experience and expertise: Principal of Patagonia Alpacas since 1996. Range of marketing positions with a focus on product and brand management. 30 years as a teaching and research academic in Marketing at UNSW and Charles Sturt University.

Name: **Mr Trevor Parry** (resigned 16 November 2020)

Qualifications: Bachelor of Arts, Monash; Master of Business Administration, University of Western Australia

Experience: 20 years in the oil industry in various development and managerial posts and 30 years in the construction industry.

Name: **Mr Andrew Munn** (President – resigned 7 August 2020)

Qualifications: Advanced Diploma of Communications Management; Certificate IV in Frontline Management; Certificate IV in Wool Classing; Certificate in Vocational Instruction

Experience and expertise: Partner of Alpha Centauri Alpacas since 2002; Director of Scotch Group

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

Note that Mr Andrew Munn resigned as President effective 7 August 2020 and Ms Prue Walduck acted as Interim President in line with the AAA Constitution from 7 August 2020 until the AGM on 23 November 2020.

Company Secretary

Ms Amanda Olthof was appointed Company Secretary on 2 July 2018.

Meetings of Directors

During the financial year, 18 meetings of the directors were held. Attendance by each director was as follows:

Director Name	Board Meetings	
	No. Eligible to Attend	No. Attended
Mr Brett Fallon	18	18
Ms Prue Walduck	18	18
Ms Carolyn Austin	18	17
Ms Sarah Wheeler	18	17
Mr Michael Williams	18	17
Ms Lee Sadler	11	11
Ms Julie Wilkinson	11	11
Dr Cathi McMullen	7	7
Mr Trevor Parry	6	6
Mr Andrew Munn	2	1

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

Note that Mr Andrew Munn resigned as President effective 7 August 2020 and Ms Prue Walduck acted as Interim President in line with the AAA Constitution from 7 August 2020 until the AGM on 23 November 2020.

Company Secretary

Ms Amanda Olthof was appointed Company Secretary on 2 July 2018.

Short and Long Term Objectives

The objectives of the Company are to sustain and expand the alpaca industry, provide services to its members, and promote and advance the breed standard and husbandry of alpacas as an agricultural resource to Australia.

Strategy for Achieving Short and Long-Term Objectives

The Company's strategy has been to promote and advance the purity of the alpaca breed, utilising the International Alpaca Registry. In addition, its strategy has been to foster the marketing of alpaca products and encourage a relationship with the industries associated with those activities.

Principal Activities

The principal activities of the Company during the financial year were to provide an animal register, publications, merchandise and organise events relevant to members of the Alpaca industry.

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

These principal activities assisted in achieving the objectives of the Company by monitoring the breeding of the alpaca here in Australia and by promoting the industry at the various events held during the year, and in doing so, advance the breed to the general public.

Measurement of Performance by the Company

The Company measures its performance by the growth in new members, membership renewals of existing members and the number of registration of animals. During the past twelve months, income from memberships and membership renewals has decreased by \$3,564 or 1.8 per cent. This decrease is largely attributable to a decrease in full and joint membership numbers. Revenue from the registration and transfer of animals has increased by \$43,458 or 20%.

Operating Results

The operating results show a net surplus of \$69,237 for the financial year ending 30 June 2021, (2020: a net deficit of \$148,440).

Review of Operations

A review of operations of the entity during the financial year shows that the overall surplus has occurred as a result of a National operations surplus of \$43,702 and a combined Region's and Youth operations surplus of \$25,535.

Significant Changes in the State of Affairs

No significant changes in the entity's state of affairs occurred during the financial year other than as disclosed.

After Reporting Date Events

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

Future Developments

Other than undertaking various budgeted projects and industry promotion, the entity expects to maintain the present status and level of operations and hence there are no other likely developments in the entity's operations.

Environmental Issues

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

Indemnifying Officers of Auditor

No indemnities have been given during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity. Insurance premiums have been paid for Directors and Officers professional indemnity insurance cover.

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings, other than disclosed in the Notes to the Financial Statements.

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

Members Guarantee

The Company is incorporated under the Corporations Act 2011 and is a company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards any outstanding obligations of the Company, while they are a member or within one year of their membership ceasing. As at 30 June 2021, the total amount that members of the company are liable to contribute if the Company is wound up is \$21,740 (2020 \$25,980).

Auditors Independence Declaration

The auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 7 of the Financial Report.

Signed in Canberra on 21st September 2021 in accordance with a resolution of directors:



Brett Fallon
President



Carolyn Austin
Treasurer

RSM Australia Partners

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www.rsm.com.au**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Australian Alpaca Association Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**RSM AUSTRALIA PARTNERS****GED STENHOUSE**
PartnerCanberra, Australian Capital Territory
Dated: 7 October 2021

AUSTRALIAN ALPACA ASSOCIATION LIMITED

ABN 30 067 146 481

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTE	2021 \$	2020 \$
REVENUE			
Members' subscriptions and fees		197,664	201,228
Members' animal registration & animal health income		260,613	217,155
Events and Sponsorship		19,457	61,020
Youth Group income		3,384	8,307
Market Access Grants Received		-	30,091
Net Regional Income	2	99,881	100,092
Sales of publications and advertising		4,553	6,820
Sales of merchandise		36,201	25,274
Interest received		749	3,116
Rent received		62,237	47,402
Showing and judging income		118	4,800
Education and Training		5,571	-
Sundry Income		838	28,983
Revenue from Government		57,264	77,000
TOTAL REVENUE		748,530	811,288
EXPENDITURE			
Audit Fees - audit/review the financial report		18,500	14,100
Bank Charges		6,529	5,501
Biosecurity & Animal Welfare Expenses		31,114	6,127
Computer and website expenses		30,473	19,902
Depreciation of property plant and equipment		62,759	73,129
Event expenses		6,876	130,235
Events - Youth Group		3,154	8,226
Industry promotion and marketing expenses		-	16,614
Insurances		27,836	27,416
Interest expense		8,042	10,857
Magazine and newsletter expenses		2,469	6,496
Merchandise		18,770	13,436
Donations		1,007	-
Printing, stationery, and postage		11,218	13,457
Professional fees - accounting/legal/member mediation		11,041	30,982
Regional expenditure	2	74,576	161,625
Registration & membership expenses		99,827	76,689
Salary, wages, and superannuation contributions		238,117	261,704
Staff recruitment expenses		2,084	5,086
Showing and judging expenses		4,016	38,863
Bad debts		915	-
Telephone and fax		6,948	4,112
Education & Training		5,053	4,872
Travel, accommodation, and meeting expenses		1,796	22,751
Investment Expense		4,981	4,878
Other expenses		1,192	2,670
TOTAL EXPENDITURE		679,293	959,728
NET (DEFICIT)/ SURPLUS BEFORE INCOME TAX	13	69,237	(148,440)
Income tax expense			
NET (DEFICIT)/SURPLUS FOR THE YEAR		69,237	(148,440)
NET (DEFICIT)/SURPLUS ATTRIBUTABLE TO MEMBERS OF THE ENTITY		69,237	(148,440)

The accompanying notes form part of the financial statements

AUSTRALIAN ALPACA ASSOCIATION LIMITED
ABN 30 067 146 481
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

STATEMENT OF OTHER COMPREHENSIVE INCOME

	NOTE	2021	2020
		\$	\$
NET (DEFICIT)/SURPLUS FOR THE YEAR		69,237	(148,440)
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX		-	-
TOTAL OTHER COMPREHENSIVE (DEFICIT)/INCOME FOR THE YEAR		69,237	(148,440)
TOTAL COMPREHENSIVE (DEFICIT)/INCOME ATTRIBUTABLE TO MEMBERS OF THE ENTITY		69,237	(148,440)

The accompanying notes form part of the financial statements

AUSTRALIAN ALPACA ASSOCIATION LIMITED
ABN 30 067 146 481
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

STATEMENT OF FINANCIAL POSITION

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	874,047	681,709
Trade and other receivables	4	4,547	39,998
Other assets- Prepayments	5	54,802	42,331
Inventory	6	28,843	26,608
TOTAL CURRENT ASSETS		962,239	790,646
NON-CURRENT ASSETS			
Investment property	7	885,000	885,000
Plant and equipment	8	116,032	135,715
Right of use asset	8	131,743	165,380
TOTAL NON - CURRENT ASSETS		1,132,775	1,186,095
TOTAL ASSETS		2,095,014	1,976,741
CURRENT LIABILITIES			
Trade and other payables	9	100,408	29,714
Lease liability	8	33,391	30,836
Contract liability	10	145,339	140,573
Short term provisions	11	28,370	23,958
TOTAL CURRENT LIABILITIES		307,508	225,081
NON CURRENT LIABILITIES			
Lease Liability	8	114,491	147,882
TOTAL NON CURRENT LIABILITIES		114,491	147,882
TOTAL LIABILITIES		421,999	372,963
NET ASSETS		1,673,015	1,603,778
EQUITY			
Retained earnings		1,035,795	966,558
Revaluation asset reserve		417,220	417,220
General reserve		220,000	220,000
TOTAL EQUITY		1,673,015	1,603,778

The accompanying notes form part of the financial statements

AUSTRALIAN ALPACA ASSOCIATION LIMITED
ABN 30 067 146 481
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

STATEMENT OF CHANGES IN EQUITY

	Retained Earnings	Asset Revaluation Reserve	General Reserve	Total
	\$	\$	\$	\$
Opening adjustment on implementation of AASB 16	(8,127)	-	-	(8,127)
Adjusted Opening balance as at 1 July 2019	1,114,998	-	-	1,114,998
Comprehensive Income/ (Loss)				
Surplus/(Deficit) attributable to the entity	(148,440)	-	-	(148,440)
Revaluation/ (Devaluation)				
Total comprehensive Income/ (loss)	(148,440)	-	-	(148,440)
Balance at 30 June 2020	966,558	417,220	220,000	1,603,778
Comprehensive Income/ (Loss)				
Surplus/(Deficit) attributable to the entity	69,237	-	-	69,237
Revaluation/ (Devaluation)	-	-	-	-
Total comprehensive Income/ (loss)	69,237	-	-	69,237
Balance at 30 June 2021	1,035,795	417,220	220,000	1,673,015

The accompanying notes form part of the financial statements

AUSTRALIAN ALPACA ASSOCIATION LIMITED
ABN 30 067 146 481
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

STATEMENT OF CASH FLOWS

	NOTE	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and tenants and government grants		589,937	497,830
Receipts from sales of publications and advertising		4,553	7,502
Receipts from sales of merchandise		36,201	27,801
Interest received		749	3,116
Payments to suppliers and employees		(386,893)	(641,469)
Interest on lease		(8,042)	(9,321)
Interest paid		-	(2,474)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES		236,505	(117,015)
CASH FLOWS FROM INVESTING ACTIVITIES			
Disposal of Investment		-	-
Payment for property, plant & equipment		(13,331)	(23,088)
NET CASH USED IN INVESTING ACTIVITIES		(13,331)	(23,088)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability		(30,836)	(28,424)
Proceeds from borrowings		-	-
Repayment of borrowings		-	(9,864)
NET CASH PROVIDED BY FINANCING ACTIVITIES		(30,836)	(38,288)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		192,338	(178,391)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR			
		681,709	860,100
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR			
	3	874,047	681,709

The accompanying notes form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are for Australian Alpaca Association Limited as an individual entity, incorporated and domiciled in Australia. Australian Alpaca Association Limited is a not-for-profit company.

Statement of Compliance

The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to meet the needs of the members.

The financial report has been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of Preparation

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention modified where applicable by the measurement of selected non-current assets.

Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained under changes in accounting policies.

(a) Income Tax

The Company is a non-profit income tax-exempt organisation and accordingly under Section 50-40 of Division 50 of the 1997 Income Tax Assessment Act is not subject to Income tax on its income and expenses.

(b) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, cash on deposit at call and term deposits with maturities of less than three months.

(c) Investment Property

Freehold land and building has been reclassified as an investment property due to the Company ceasing occupancy from the 1st August 2018.

The \$885,000 fair value as at 30 June 2019 was obtained by using the valuation prepared by Peter Lawrence of Lawrence Commercial Valuers. The directors determined that there are no impairment indicators for this property.

(d) Plant and Equipment

Plant and Equipment

Plant and equipment items are recognised when their initial cost is greater than \$500 and are measured at cost, less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Plant and equipment that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired. Depreciation is calculated on a diminishing value basis.

Leasehold Improvements

All improvements to the company's leasehold property, being Level 1 95 Northbourne Avenue, Turner, ACT are measured on a cost basis less amortisation and impairment losses. Leasehold Improvements are amortised over the period of the lease.

Regions

Regional plant and equipment consists mainly of display equipment, pen panels, gates, etc., which due to their heavy usage are written off over a three year period using the diminishing value method of depreciation

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

Right of use asset	14%
Leasehold Improvements	14%
Computer software	20-33%
Office Furniture, fittings and other equipment	10-33%

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

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

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

(e) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying amount. Any excess of the assets carrying amount over its recoverable amount is expensed to the Statement of Profit or Loss.

(f) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(g) Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

(h) Intangibles

Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a diminishing value basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(i) Inventory of Merchandise and Publications

Inventory on hand consists mainly of ear tags, ear tag applicators, show uniforms, promotional material and reference material. Merchandise held for sale is measured at cost and adjusted to net realisable value when cost exceeds sales potential.

(j) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered, and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability

Sales Revenue

Revenue from the sale of merchandise and publications is recognised when the significant risks and rewards of ownership are transferred to the buyer.

Interest

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the company and the amount of revenue can be reliably measured. Interest income is accrued on a time basis by reference to the principal and the effective interest rate applicable.

(k) Membership Subscription Revenue/Advance Revenue

Membership subscription notices for the year ending 30 June 2022 were forwarded to members in June 2021. Amounts paid by members before 30 June 2021 have been included as a Contract Liability, in the financial statements.

(l) Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

The contract liabilities includes member's subscriptions for the 2020/2021 financial year and National Show & Sale Income received in advance.

(m) AASB 16 Leases

The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets and an interest expense on the recognised lease liabilities. In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

(n) Good and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the costs of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are inclusive of GST.

(o) Economic Dependence

The Company is dependent upon membership subscriptions and animal registration fees for the majority of its revenue. As at the date of this report, the Directors are aware that there are external factors (global financial situation, climate conditions and international pandemic) that will affect these sources of Company Income.

(p) Comparative Figures

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

(q) Critical Accounting Estimates and Judgements

The Board of Directors evaluates estimates and judgements incorporated into the Financial Report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates -

Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key elements.

Provision for impairment of receivables

The Company's policy for allowance for doubtful receivables is based on the simplified approach permitted by AASB 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables and considers an assessment of recoverability and ageing analysis of outstanding accounts and management's estimates. The Board of Directors believe that all trade receivables are recoverable.

AUSTRALIAN ALPACA ASSOCIATION LIMITED
ABN 30 067 146 481
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

2 REGIONAL INCOME & EXPENDITURE	2021	2020
	\$	\$
REVENUE		
Advertising/sponsorship	6,236	8,548
Auction income	6,920	3,567
Education and training	0	3,379
Interest received	145	1,014
Merchandise & asset sales	9,257	7,027
Newsletter income	164	200
Show/event income	67,492	59,565
Sundry & website	9,667	16,792
	<u>99,881</u>	<u>100,092</u>
EXPENDITURE		
Advertising/sponsorship/trophies	6,923	9,501
Auction expenses	841	-
Depreciation of assets	3,893	4,057
General administration expenses	1,217	15,119
Merchandise purchases	3,697	9,629
Show/event expenses	45,951	102,509
Sundry & equipment expenses	11,879	17,799
Training/courses	175	3,011
	<u>74,576</u>	<u>161,625</u>
	<u>25,305</u>	<u>(61,533)</u>
NET REGIONAL SURPLUS / (DEFICIENCY)		
3 CASH AND CASH EQUIVALENTS		
Cash at bank - operating account	148,634	216,914
Cash at bank - cash management account	207,759	706
Cash at bank - provision account	5	5
Cash at bank - youth account	8,291	8,863
Cash at bank- national show account	28,830	13,278
Cash at bank and on hand - region accounts	170,638	158,489
Cash at bank - region investment accounts	164,816	165,464
Cash at bank – youth development account	29,381	29,373
Cash at bank – commercial development account	19,600	11,823
Cash at bank – research & development account	96,093	76,794
	<u>874,047</u>	<u>681,709</u>

AUSTRALIAN ALPACA ASSOCIATION LIMITED
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	2021	2020
	\$	\$
4 TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables- members	4,547	38,205
Interest Receivable	-	162
Sundry debtors – regions	-	1,631
	4,547	39,998
5 OTHER ASSETS		
CURRENT		
Prepayments - show & sale/events	14,989	10,818
Prepayments – other	39,813	31,513
	54,802	42,331
6 INVENTORY		
Stock on hand - national office, Turner	21,647	21,824
Stock on hand – regions	7,196	4,784
	28,843	26,608
7 INVESTMENTS		
NON-CURRENT		
Investment Property – Unit2, 613 Whitehorse Road, Mitcham at Fair value The property was valued by Lawrence Commercial on 30 June 2019.	885,000	885,000
	885,000	885,000

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8 PROPERTY, PLANT AND EQUIPMENT

Leasehold Improvements - at cost	31,754	31,754
Less: accumulated depreciation	<u>(11,849)</u>	<u>(8,559)</u>
	19,905	23,195
Office furniture, fittings and other equipment - at cost	172,660	172,230
Less: accumulated depreciation	<u>(128,845)</u>	<u>(121,364)</u>
	43,815	50,866
Plant & equipment - regions - at cost	258,299	245,397
Less: accumulated depreciation	<u>(240,861)</u>	<u>(236,968)</u>
	17,438	8,429
INTANGIBLE ASSETS		
Computer Software – at cost	117,116	117,116
Less: accumulated amortisation	<u>(82,242)</u>	<u>(63,891)</u>
	34,874	53,225
Total property, plant and equipment	<u>116,032</u>	<u>135,715</u>
Right of use asset	235,456	199,016
Less: accumulated amortization	<u>(103,713)</u>	<u>(33,636)</u>
	131,743	165,380
LEASE LIABILITY		
Current	33,391	30,836
Non- current	<u>114,491</u>	<u>147,882</u>
	147,882	178,718

Accounting Policy

At the inception of a contract, the entity assesses whether a contract is, or contains a lease. A contract is considered to contain a lease if it allows the entity the right to control the use of an identified asset over a period of time in return for consideration. Where a contract or arrangement contains a lease, the entity recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of the future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index, or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the leased assets.

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9 TRADE AND OTHER PAYABLES	2021	2020
	\$	\$
CURRENT		
Trade payables	45,701	2,160
Credit Card Liabilities	1,484	979
Sundry creditors	3,689	6,156
Accrued expenses	40,002	22,346
GST Payable	9,532	(1,927)
	<u>100,408</u>	<u>29,714</u>
10 INCOME IN ADVANCE		
Advance revenue - members subscriptions	109,578	118,102
Advance revenue – other	35,761	22,471
	<u>145,339</u>	<u>140,573</u>
11 SHORT TERM PROVISIONS		
Provision for annual leave	28,370	23,958
	<u>28,370</u>	<u>23,958</u>
12 SEGMENT REPORTING		
Net Surplus/(Deficit) by Operating Segment		
National Operations	43,702	(86,989)
Regional Operations	25,305	(61,533)
Youth Groups	230	82
Total	<u>69,237</u>	<u>(148,440)</u>

AUSTRALIAN ALPACA ASSOCIATION LIMITED
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13 MEMBERS' GUARANTEE

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, page 5 of the Constitution states that each member is required to contribute a maximum of \$20 (2020: \$20) each towards outstanding obligations of the Company while they are a member or within one year of their membership ceasing. At 30 June 2021, the number of members was 1,087 (30 June 2020: 1,299).

14 EVENTS SUBSEQUENT TO REPORTING DATE

The planned annual show had to be cancelled due to the impact of Covid 19.

15 RELATED PARTY TRANSACTIONS

Directors were not provided with any remuneration during the financial year other than previous Director Ian Preuss and previous President Andrew Munn who are the two Directors of Scotch Group were supplied with a free fleece sample, all other transactions were at arm's length.

16 ENTITY DETAILS

The registered office of the company and the principal place of

business is:

Australian Alpaca Association Limited
Level 1 95 Northbourne Avenue, Turner 2617

AUSTRALIAN ALPACA ASSOCIATION LIMITED
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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

**DIRECTORS' DECLARATION
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

The board of directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors declare that:

1. The financial statements set out on pages 7 to 22 present fairly the company's financial position as at 30 June 2021 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
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 directors and is signed for and on behalf of the directors by:



President



Treasurer

Dated 21st September 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Australian Alpaca Association Limited

Opinion

We have audited the financial report of Australian Alpaca Association Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of 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 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the 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.

Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and the 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

**RSM AUSTRALIA PARTNERS****GED STENHOUSE**

Partner

Canberra, Australian Capital Territory

Dated: 7 October 2021