

# **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 2017**

**Australian Alpaca Association Limited**

**ABN 30 067 146 481**

**SPECIAL PURPOSE FINANCIAL REPORT FOR THE  
FINANCIAL YEAR ENDED 30 JUNE 2017**

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**Australian Alpaca Association Limited**  
**ABN 30 067 146 481**

**SPECIAL PURPOSE FINANCIAL REPORT FOR THE  
FINANCIAL YEAR ENDED 30 JUNE 2017**

Your Directors present their report on the Company for the financial year ended 30 June 2017.

**Directors**

The names of the Directors in office at any time during the year and to the date of this report are:

Mr Ian Frith, AAA President (appointed 17 September 2016)

Mrs Fiona Vanderbeek, Vice President

Mr Nick De Bruyn, Company Secretary

Mrs Chris Cronshaw, Treasurer (resigned 14 May 2017)

Mrs Annette Woodgate (resigned 10 May 2017)

Mrs Sharon Dawson (appointed 17 September 2016)

Mr Andrew Hulme (appointed 17 September 2016)

Mr Christopher Williams (appointed 17 September 2016)

Mrs Michelle Malt (retired 17 September 2016)

Mr Greg Scarlett (retired 17 September 2016)

Mr Jeff Willis (retired 17 September 2016)

Mrs Dinah Fisher (resigned 9 December 2016)

Mr Steven O'Keefe, Treasurer (appointed 17 May 2017)

Ms Susan Harris (appointed 17 May 2017)

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

**Company Secretary**

Mr Nick De Bruyn, a Director of the company was appointed Company Secretary on 25/02/2015.

**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, utilizing 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.

**SPECIAL PURPOSE FINANCIAL REPORT FOR THE  
FINANCIAL YEAR ENDED 30 JUNE 2017**

**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 in 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 declined. Membership numbers have remained static.

**Operating Results**

The operating results show a surplus of \$22,378 for the financial year ending 30 June 2017, (2016 – deficit of \$83,097).

**Review of Operations**

A review of operations of the entity during the financial year indicates that total national revenue decreased by \$143,996 from 2016 and that total national expenditure decreased by \$249,471 from 2016.

In regard to expenditure, while the board has been vigilant in respect of managing expenditure during the financial year there was an increased focus on industry promotion and marketing.

The overall surplus of \$22,378 has occurred as a result of the National operations surplus of \$23,076 and a combined Region's and Youth operations deficit of \$698.

The focus for the 2017/2018 budget is to have a small surplus. The Board recognises its responsibility to maintain an adequate level of cash reserves to ensure good financial management of the company for the benefit of its members and for the industry at large.

There have been provisions for staff entitlements recognised as at 30 June 2017 financial year, which have been based on best estimates at the current time of the amounts required to settle the obligations at the reporting date.

**Significant Changes in State of Affairs**

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

**SPECIAL PURPOSE FINANCIAL REPORT FOR THE  
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**After Reporting Date Events**

On 18 July 2017 the directors wrote to the board of Australian Alpaca Fleece Ltd (AAFL) offering to sell the company's investment in AAFL of 150,000 \$1 preference shares and 375,002 \$1 ordinary shares for \$70,000. The directors of AAFL agreed to accept this offer in principle on 28 July 2017. The sale of the shares will result in the recoupment of the cost of the investment and the directors are of the opinion that the consideration payable represents fair value.

No other 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 or 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 of a state or territory.

**SPECIAL PURPOSE FINANCIAL REPORT FOR THE  
FINANCIAL YEAR ENDED 30 JUNE 2017**

**Information on Directors**

Mr Ian Frith (President)

**Qualifications:** Fellow Australian Institute of Management, Diploma Financial Services (Gen Ins), Senior Associate Member of Australia & New Zealand Institute of Insurance & Finance

**Experience :** 35 years experience in the insurance & marketing sector, 25 running own businesses with 250 staff in 6 countries. Established his stud Millpaca in approximately 2007 and today has over 5000 alpacas spread over 3 farms. A pioneer of the alpaca meat industry in Australia Ian owns and manages Illawarra Prime Alpaca and continues to train chefs both internationally and locally to develop recipes for Alpaca meat.

**Portfolio responsibility:** International Relations, Regional Handover, Marketing & Promotions and Public Relations.

**Regional responsibility:** Overseas, NSW.

Mrs Fiona Vanderbeek (Vice President)

**Qualifications:** Masters in Health Management (City University, London)

**Experience:** An alpaca breeder since 2002 with a previous 20+ year career in senior management positions in hospitals and general practice. Currently self-employed as full-time manager of the family farm and associated business interests. AAA Ltd Director since 2015.

**Portfolio responsibility:** Biosecurity and Animal Welfare

**Regional responsibility:** nil

Mr Steven O'Keefe (Treasurer)

**Qualifications:** Bachelor of Commerce (Accy) University of Wollongong, Member Institute of Chartered Accountants Australia & New Zealand, Chartered Tax Adviser & Member of Taxation Institute of Australia, Registered Company Auditor, Registered SMSF Auditor, Registered Tax Agent.

**Experience:** 31 years accountancy/auditing public practice experience, 22 as a partner/principal in own firms. A registered alpaca breeder since 2013 and a former Vice- President and Treasurer of the Southern NSW Region (2014-2015). Member of the AAA Audit & Risk Committee since 2015 & Chairman since 2016.

**Portfolio Responsibilities:** Audit Risk and Finance Chairman, Financial Management

**Regional Responsibilities:** Victoria Central

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FINANCIAL YEAR ENDED 30 JUNE 2016**

Mr Nick De Bruyn (Company Secretary)

**Qualifications:** TAFE Financial Accounting Certificate; Certified Shopping Centre Manager - Property Council of Aust; Registered Land Agent – Retired; Justice of the Peace – Adelaide Magistrates Court plus City of Tea Tree Gully roster and Company Director – Deville Investments Pty Ltd & Shandara Pty Ltd

**Experience:** 25 years in the commercial property development and management industry, 18 years with the Westfield Group. An alpaca breeder for five years, three years of which has been on the SA regional committee as well as the 2014 National Conference Committee. Active member of the Country Fire Service – Paracombe SA brigade

**Portfolio responsibility:** Public Officer (Governance / Constitution), Integrity, NLIS implementation, Audit Risk and Finance committee member

**Regional responsibility:** Tasmania, Victoria Western

Mrs Sharon Dawson

**Qualifications:** Bookkeeper MYOB & Personal Assistant 17 years

**Experience:** Co-ordinator of functions, Convenor of numerous alpaca shows, Alpaca Breeder for 9 years, a successful small breeder achieving broad ribbons in Regional & National Shows, first 10 years employment in the animal industry husbandry/vet nursing. Marketing Manager for Illawarra Prime Alpaca; introducing alpaca into the Tafe system with Masterclasses across Australia. Wires wombat, Macropod, possum & Glider carer. Served on Regional Alpaca Committee for 7 years in various roles.

**Portfolio responsibility:** Showing & Judging

**Regional responsibility:** Queensland, South Queensland & Northern NSW.

Mr Andrew Hulme

**Qualifications:** Bachelor of Engineering (Mining) UNSW, First Class Mine Managers Certificate of Competence WA No. 1189, mutually recognised in Queensland and New South Wales. Member of the Australian Institute of Mining and Metallurgy

**Experience:** Over 10 years in the Mining industry in various technical and management roles. Currently Group Contracts Manager for PYBAR Mining Services and Acting COO for Diversified Minerals. 1 year previously (2012) as Company Secretary for the Orange Regional Conservatorium Board. Director for Adagio Mills: Textile manufacturing facility specialising in alpaca for 3 years and partner in Adagio Alpacas for 5 years.

**Portfolio responsibility:** Research Development Extension & Sustainability, Training & Education

**Regional responsibility:** Nil

**SPECIAL PURPOSE FINANCIAL REPORT FOR THE  
FINANCIAL YEAR ENDED 30 JUNE 2016**

Mr Christopher Williams

**Qualifications:** Qualified Alpaca Judge

**Experience:** An alpaca breeder since 1992 with his stud Ambersun Alpacas today owing approximately 1,500 alpacas and having produced a number of National Supreme champions. Chris is a past member of the Australian Alpaca Association Inc committee (1995-1997) and a former President of the South Australian Region (1995). Chris formed a partnership with knitwear manufacturer Frank Spinelli in 1993 and established the Alpaca Classica clothing label. This label was elected to represent Australia on the catwalk at the International Alpaca Festival in Peru in 1997 and 2000. Opened and established The Alpaca Shop in Handorf, SA in 1994 and a Member of the Australian Wool Development Board (2001 – 2004). Chris today is involved in the alpaca meat industry and owns and manages Fleurieu Prime Alpaca. A qualified judge since 2011 Chris has also been a guest speaker at national conferences in both Australia and New Zealand. He is an experienced alpaca shearer and shears approximately 4,000 animals per year in Australia and Europe.

**Portfolio responsibility:** Market Access, Trade & Commercialisation

**Regional responsibility:** Western Australia

Dr Susan Harris

**Qualifications:** Bachelor of Arts, Bachelor of Law (Hons) Ph.D

**Experience:** A practising lawyer for over thirty years, and a Partner at Madgwicks Lawyers (Melbourne) where she focuses on property related matters. Sue has also been a part-time lecturer and tutor at Melbourne University and an instructor at Leo Cussen Centre for Law. Currently a director of COTA Vic (Council on the Ageing (Victoria) Inc) and has been Secretary of the Traralgon Arts Council and Deputy Chair, and later Secretary, of the Victorian Arts Council. Sue is a partner in Onyx Alpacas, a black huacaya and suri stud in south-western Victoria. She is an active member of the Victorian Western Region and has acted as a steward at regional shows and the Royal Melbourne Show.

**Portfolio responsibility:** Membership Services

**Regional responsibility:** Victoria Eastern, South Australia

Mrs Michelle Malt (Former President)

**Qualifications:** Diploma of Teaching, Associate ANZIIF (General Insurance)

**Experience:** Past President South Queensland Northern NSW Region AAA, an Alpaca Breeder since 2005. Currently self-employed in livestock farming and delivery business. Previous experience includes 20+ years in the Financial Services industry across a range of Management roles and four+ years self-employed small business incorporating retail and service provision. Honorary Secretary of the local Show Society for the past five years. AAA Ltd Director since October 2010 and President since October 2012.

**Portfolio responsibility:** International Relations, Regional Handover, Office Administration, Showing and Judging, Biosecurity and Animal Welfare

**Regional responsibility:** Overseas



**SPECIAL PURPOSE FINANCIAL REPORT FOR THE  
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Mrs Christine Cronshaw ( Former Treasurer)

**Qualifications:** Bachelor of Business degree in accounting as well as a Diploma in financial planning.

**Experience:** An Accountant by profession with related experience in financial planning, taxation and insurance, as well as knowledge of audit procedures.

**Portfolio Responsibilities:** Audit Risk and Finance, Financial Management

**Regional Responsibilities:** Victoria – Central

Mr Greg Scarlett (Former Vice President)

**Qualifications:** Bachelor of Pharmacy.

**Experience:** President South Australia Region AAA (since 2012), an Alpaca Breeder since 2000.

Currently self-employed in pharmacy (owner of two community pharmacies in Adelaide). Specialty practice in Aged Care services and Medication Management Review programs. Member Pharmacy Guild of Australia. Currently a member of the SA Branch committee, a member of the Finance and Audit committee, and media spokesperson. Member, Australian College of Pharmacy. Associate Member of the Australian Association of Consultant Pharmacy. Experience in hospital pharmacy practice. Also, tutoring with UniSA in the Bachelor of Pharmacy course with final year students. Experience in practice based research activities with UniSA Pharmacy School in medication management programs.

**Portfolio responsibility:** Research Development Extension and Sustainability, Breed Standards

**Regional responsibility:** Western Australia

Mrs Dinah Fisher

**Qualifications:** Bachelor of Architecture, Graduate Diploma of Education (VET)

**Experience:** AAA Board member October 2011 to the present, past Vice-President and Newsletter editor, Member AAA Central Western NSW regional committee since 2001

**Portfolio Responsibilities:** Public Relations, Marketing and Promotion, Australian Alpaca Week

**Regional Responsibilities:** New South Wales – Sydney Coast and Highlands, Southern.

Mr Jeff Willis

**Qualifications:** Graduate Certificate – Management; Associate Diploma - Business Marketing; Certificate lighting Engineering; Cert IV Workplace Training and Assessment, Electrical Fitter/Mechanic

**Experience:** An Alpaca breeder since 2001, AAA Queensland Regional Committee for six years (two years as President), convener of two Queensland 'Focus' conferences; Apex Australia past club president; District Governor and life member; Surf Lifesaving, past chairman of Nippers, Club President and life member.

**Portfolio responsibility:** Market Access Trade and Commercialisation (Fibre Market Development, Meat and Hides, Export, Branding)

**Regional responsibility:** South QLD / Northern NSW, Queensland.

**SPECIAL PURPOSE FINANCIAL REPORT FOR THE  
FINANCIAL YEAR ENDED 30 JUNE 2016**

Mrs Annette Woodgate

**Qualifications:** Bachelor of Pharmacy

**Experience:** Currently employed as a Manager of a Retail Community Pharmacy, an Alpaca Breeder since 2005, involved in AFN (Aust) – a voluntary fleece collection point, active in collecting and selling all alpaca fibre. Past experience includes 36 years owning and managing retail pharmacies.

**Portfolio responsibility:** Membership Services, Constitution Review working party

**Regional responsibility:** South Australia, Victoria - Eastern

**Meetings of Directors**

During the financial year, nine (9) meetings of the directors were held.

Attendance by each director was as follows:

	<b>Directors Meetings</b>	
	No Eligible to Attend	No Attended
Mr Ian Frith (President)	5	5
Mrs Fiona Vanderbeek (Vice President)	9	8
Mrs Christine Cronshaw (Treasurer) (resigned 14 May 2017)	7	7
Mr Nick De Bruyn (Company Secretary)	9	6
Mrs Annette Woodgate (resigned 14 May 2017)	7	7
Mrs Sharon Dawson	5	4
Mr Andrew Hulme	5	4
Mr Christopher Williams	5	3
Mrs Michelle Malt (retired 17 September 2016)	4	4
Mr Greg Scarlett (retired 17 September 2016)	4	2
Mr Jeff Willis (retired 17 September 2016)	4	4
Mrs Dinah Fisher (resigned 9 December 2016)	6	4
Mr Steven O'Keefe (appointed 17 May 2017)	1	1
Mrs Susan Harris (appointed 17 May 2017)	1	1

**SPECIAL PURPOSE FINANCIAL REPORT FOR THE  
FINANCIAL YEAR ENDED 30 JUNE 2016**

**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 \$10 each towards any outstanding obligations of the Company, while they are a member or within one year of their membership ceasing. At 30 June 2017, the total amount that members of the company are liable to contribute if the Company is wound up is \$17,060(2016 \$19,310).

**Auditors Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 12 of the Financial Report.

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

President

  
.....  
Mr Ian Frith

Treasurer

  
.....  
Mr Steven O'Keefe

Dated this 15<sup>th</sup> day of September 2017

## **Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001 to the Australian Alpaca Association Limited**

In relation to our audit of the financial report of Australian Alpaca Association Limited for the financial year ended 30 June 2017, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



**CROWE HORWATH VIC**



**GORDON ROBERTSON**

**Partner**

**Date:** 1 September 2017

**AUSTRALIAN ALPACA ASSOCIATION LIMITED**  
**ABN 30 067 146 481**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**STATEMENT OF PROFIT OR LOSS**

	NOTE	2017	2016 \$
<b>REVENUE</b>			
Members subscriptions and fees		262,690	288,712
Members animal registration & animal health income		304,811	373,752
Events and Sponsorship		134,642	131,834
Events – Youth Group		7,414	-
Sales of publications and advertising		20,679	37,927
Sales of merchandise		14,018	22,737
Interest received		16,417	18,955
Rent received		20,540	20,540
Showing and judging income		10,693	-
Education grants		11,565	-
Sundry Income		3,560	56,568
<b>TOTAL REVENUE</b>		<u>807,029</u>	<u>951,025</u>
<b>EXPENDITURE</b>			
Audit Fees - audit/review the financial report		9,500	9,800
Bank Charges		4,634	4,568
Computer and website expenses		46,627	30,783
Depreciation of property plant and equipment		22,558	18,703
Event expenses		109,782	208,818
Events – Youth Group		1,759	-
Industry promotion and marketing expenses		25,720	135,926
Insurances		17,479	17,838
Magazine and newsletter expenses		43,681	69,769
Merchandise		8,208	16,552
Occupancy & property expenses		15,175	10,140
Printing, stationery and postage		22,001	17,522
Net regional expenditure	2	31,510	32,737
Professional fees – accounting/legal		17,100	15,350
Registration & membership expenses		79,024	76,533
Rental expenses on operating leases		1,988	2,520
Research and development costs		40,000	40,134
Salary, wages, and superannuation contributions		184,324	219,750
Showing and judging expenses		38,090	25,521
Telephone and fax		8,090	12,266
Training		12,509	6,633
Travel, accommodation and meeting expenses		43,654	57,335
Other expenses		1,238	4,924
<b>TOTAL EXPENDITURE</b>		<u>784,651</u>	<u>1,034,122</u>
<b>NET SURPLUS/(DEFICIT) BEFORE INCOME TAX</b>			
- NATIONAL OPERATIONS		23,076	(78,722)
- REGIONAL OPERATIONS		(6,353)	(4,375)
- YOUTH GROUP		5,655	-
Income tax expense		-	-
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<u>22,378</u>	<u>(83,097)</u>
<b>NET SURPLUS/(DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE ENTITY</b>		<u>22,378</u>	<u>(83,097)</u>

The accompanying notes form part of the financial statements

**AUSTRALIAN ALPACA ASSOCIATION LIMITED**  
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**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**STATEMENT OF COMPREHENSIVE INCOME**

	NOTE	2017 \$	2016 \$
NET SURPLUS/ (DEFICIT) FOR THE YEAR		22,378	(83,097)
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX			
Net surplus on revaluation of non-current assets		-	82,050
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>-</u>	<u>82,050</u>
TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) FOR THE YEAR		<u>22,378</u>	<u>(1,047)</u>
TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE ENTITY		<u>22,378</u>	<u>(1,047)</u>

**The accompanying notes form part of the financial statements**

**AUSTRALIAN ALPACA ASSOCIATION LIMITED**  
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**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**STATEMENT OF FINANCIAL POSITION**

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	871,611	1,057,410
Trade and other receivables	4	63,093	60,556
Other assets	5	63,436	29,168
Inventory	6	19,780	22,756
<b>TOTAL CURRENT ASSETS</b>		<b>1,017,920</b>	<b>1,169,890</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	7	70,000	70,000
Property, plant and equipment	8	748,171	766,377
<b>TOTAL NON - CURRENT ASSETS</b>		<b>818,171</b>	<b>836,377</b>
<b>TOTAL ASSETS</b>		<b>1,836,091</b>	<b>2,006,267</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	59,346	64,112
Income in advance	10	96,855	278,898
Short term provisions	11	26,491	32,236
<b>TOTAL CURRENT LIABILITIES</b>		<b>182,692</b>	<b>375,246</b>
<b>TOTAL LIABILITIES</b>		<b>182,692</b>	<b>375,246</b>
<b>NET ASSETS</b>		<b>1,653,399</b>	<b>1,631,021</b>
<b>EQUITY</b>			
Retained earnings		1,140,901	1,118,523
Revaluation asset reserve		292,498	292,498
General reserve		220,000	220,000
<b>TOTAL EQUITY</b>		<b>1,653,399</b>	<b>1,631,021</b>

The accompanying notes form part of the financial statements

**AUSTRALIAN ALPACA ASSOCIATION LIMITED**  
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**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**STATEMENT OF CHANGES IN EQUITY**

	Retained Earnings	Asset Revaluation Reserve	General Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2015	1,201,620	210,448	220,000	1,632,068
<b>Comprehensive Income/( Loss)</b>				
Surplus/(Deficit) attributable to the entity	(83,097)	-	-	(83,097)
Revaluation /( Devaluation)	-	82,050	-	82,050
<b>Total comprehensive Income/( loss)</b>	(83,097)	82,050	-	(1,047)
Balance at 30 June 2016	1,118,523	292,498	220,000	1,631,021
<b>Comprehensive Income/( Loss)</b>				
Surplus/(Deficit) attributable to the entity	22,378	-	-	22,378
Revaluation /( Devaluation)	-	-	-	-
<b>Total comprehensive Income/( loss)</b>	22,378	-	-	22,378
Balance at 30 June 2017	1,140,901	292,498	220,000	1,653,399

The accompanying notes form part of the financial statements



**AUSTRALIAN ALPACA ASSOCIATION LIMITED**  
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**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**STATEMENT OF CASH FLOWS**

	NOTE	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and tenants and rebates		537,844	1,156,874
Receipts from sales of publications and advertising		45,407	76,151
Receipts from sales of merchandise		27,161	36,548
Interest received		16,458	19,076
Payments to suppliers and employees		(797,857)	(1,291,722)
		<hr/>	<hr/>
NET CASH USED IN OPERATING ACTIVITIES	17	(170,987)	(3,073)
		<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment		(14,812)	(2,095)
		<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES		(14,812)	(2,095)
		<hr/>	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(185,799)	(5,168)
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		1,057,410	1,062,578
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	3,17	871,611	1,057,410
		<hr/>	<hr/>

**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 2017**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**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.

**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.

**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 includes cash on hand, cash at banks, cash on deposit at call and term deposits with maturities of less than three months.

**(c) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair values as indicated, less where applicable, accumulated depreciation and impairment losses.

**AUSTRALIAN ALPACA ASSOCIATION LIMITED**  
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**Property**

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial valuations by external independent valuers, less subsequent depreciation for buildings. The last valuation was conducted on 1 June 2016 by Lawrence Commercial Blackburn (refer to Note 8).

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are charged against fair value reserves directly in equity. All other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings 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.

**Plant and Equipment**

Plant and equipment are measured on the cost basis less 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.

**National Office**

Depreciation is provided on office furniture, fittings and equipment. Depreciation is calculated on a straight line basis so as to write off the cost of any computer equipment over a three year period and all other assets over a five year period, from the time the asset is held ready for use. Assets costing less than \$500 are expensed in full.

**Building and Property Improvements**

The land and building components of the property located at Unit 2, 613 Whitehorse Road, Mitcham have been split on the basis of the land valuation reflected on the current City of Whitehorse council rates notice.

**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 straight line method of depreciation. Any asset purchases costing less than \$500 are written off as an expense in the year incurred.

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

Building	2.5%
Property Improvements	10%
Computer equipment	33.33%
Furniture, fittings and other equipment	20.00%
Regional plant and equipment	33.33%

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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 re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(d) 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.

**(e) Financial Instruments Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or losses in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

*i. Trade and other receivables*

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost.

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*ii. Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

*iii. Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

*iv. Trade and other payables*

Trade and other payables are non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment loss has arisen. Impairment losses are recognised in the statement of comprehensive income.

**De-recognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(f) Employee Benefits**

Provision is made for the liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employees are entitled to four weeks annual leave each year and a provision for annual leave (measured at its nominal amount owing at the end of the reporting period) has been recorded as a current liability in the financial statements, with the benefits being expected to be extinguished during the next financial year. The provision for annual leave includes a leave loading component.

A provision for long service leave has been recorded in the financial statements for employees with greater than seven years' service.

No provision for personal leave has been recorded in the financial statements as although personal leave is cumulative, it is not paid out when an employee leaves the Company's employment.

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**(g) Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimates at the current time of the amounts required to settle the obligation at reporting date.

**(h) Intangibles**

**i     *Research and Development Expenditure***

Expenditure on research and development activities is recognised as an expense in the period in which it is incurred. The research and development expenditure for the 2017 financial year relates to monies paid to the Rural Industries Research and Development Corporation.

**ii    *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 straight-line 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, 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**

Revenue is recognised at the fair value of the consideration received.

Revenue from rendering service is recognised upon delivery of service to the members and/or customers. Revenue from the sale of merchandise and publications is recognised when the significant risks and rewards of ownership are transferred to the buyer.

Interest received is recognised using the effective interest rate method which, for floating rate financial assets, is the rate inherent in the instrument.

Dividends received are recognised when they are received or when the right to receive payment is established.

**(k) Membership Subscription Revenue/Advance Revenue**

Membership subscription notices for the year ending 30 June 2018 were forwarded to members in June 2017. Amounts paid by members before 30 June 2017 have been included as a Current Liability – Advance Revenue, in the financial statements.

Income in advance relates to income received before reporting date and has been recorded in the Statement of Financial Position as a liability. The income in advance includes member's subscriptions for the 2017/2018 financial year and National Show & Sale Income received in advance.

**(l) Prepayments**

Expenses prepaid in relation to events occurring after balance date have been recorded in the Statement of Financial Position. This also reflects the National Show and Sale being held in August 2017. Expenditure in relation to these events has been recorded in the Statement of Financial Position as a current asset.

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**(m) 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.

**(n) Leased Assets**

All leases that the Company has entered into are classified as operating leases, where substantially all the risks, benefits and ownership remain with the lessor of the assets. Lease payments are charged as expenses in the period in which they are incurred.

**(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) 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.

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

**(q) Critical Accounting Estimates and Judgements**

The Board of Directors evaluate 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 group.

**(r) 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.

**(s) Adoption of New and Revised Accounting Standards**

The company has adopted the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these standards impacted the recognition, measurement and disclosure of certain transactions. No material impacts occurred in the current financial year.

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<b>2 REGIONAL INCOME &amp; EXPENDITURE</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
Advertising/sponsorship	24,728	38,224
Auction income	6,579	14,325
Education and training	3,735	7,983
Interest received	41	121
Merchandise & asset sales	13,143	13,811
Newsletter income	2,832	2,275
Show & event income	216,858	206,325
Sundry & website	7,006	6,423
	<u>274,922</u>	<u>289,487</u>
<b>EXPENDITURE</b>		
Advertising, sponsorship & trophies	7,216	18,792
Auction expenses	2,328	1,700
Depreciation of assets	10,460	17,794
General administration expenses	14,343	10,125
Merchandise purchases	7,515	8,980
Newsletter expenses	6,760	4,376
Show & event expenses	235,759	242,291
Sundry & equipment expenses	18,849	14,935
Training & courses	3,202	3,231
	<u>306,432</u>	<u>322,224</u>
<b>NET REGIONAL DEFICIENCY</b>	<u>(31,510)</u>	<u>(32,737)</u>
<b>3 CASH AND CASH EQUIVALENTS</b>		
Petty cash float	400	400
Cash at bank - operating account	37,478	56,062
Cash at bank - cash management accounts	21,479	144,092
Cash at bank - term deposits	462,382	485,000
Cash at bank - provision account	731	33,100
Cash at bank – youth account	5,655	-
Cash at bank – national show account	2,421	-
Cash at bank and on hand - region accounts	160,698	122,428
Cash at bank - region investment accounts	178,869	216,220
Cash on hand/ undeposited funds regions	1,498	108
	<u>871,611</u>	<u>1,057,410</u>



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<b>4 TRADE AND OTHER RECEIVABLES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade receivables – members	41,220	27,739
Sundry debtors	-	12,369
Sundry debtors – regions	4,870	7,866
GST input tax credits	17,003	12,582
	<u>63,093</u>	<u>60,556</u>
<b>5 OTHER ASSETS</b>		
<b>Current</b>		
Prepayments - show & sale/events	8,369	19,402
Prepayments – other	55,067	9,766
	<u>63,436</u>	<u>29,168</u>
<b>6 INVENTORY</b>		
Stock on hand - national office, Mitcham	16,841	19,817
Stock on hand - regions	2,939	2,939
	<u>19,780</u>	<u>22,756</u>
<b>7 FINANCIAL ASSETS</b>		
<b>Non-Current</b>		
Investment in unlisted corporation Australian Alpaca Fleece Limited	70,000	70,000
	<u>70,000</u>	<u>70,000</u>

The investment in Australian Alpaca Fleece Limited (AAFL) consists of 150,000 preference shares & 375,002 ordinary shares. These shares are not listed on any stock exchange and accordingly their market value is not readily determinable. After reviewing AAFL's latest available audited financial statements and meeting with the board of AAFL the directors wrote to the directors of AAFL on 18 July 2017 to offer to sell the shares for \$70,000. The board of AAFL accepted this offer in principle on 28 July 2017. The directors are of the opinion that this price represents fair value.

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	2017 \$	2016 \$
<b>8 PROPERTY, PLANT AND EQUIPMENT</b>		
Freehold land at independent valuation date 01/06/2016	385,000	385,000
Building, including property improvements Unit 2, 613 Whitehorse Road, Mitcham at independent valuation dated 1/06/2016	340,000	340,000
Less: Accumulated depreciation on building and property improvements	(8,500)	-
	<u>716,500</u>	<u>725,000</u>
Office furniture, fittings and other equipment - at cost	248,250	244,745
Less: accumulated depreciation	(226,741)	(219,197)
	<u>21,509</u>	<u>25,548</u>
Plant & equipment - regions - at cost	231,478	226,685
Less: Accumulated Depreciation	(221,316)	(210,856)
	<u>10,162</u>	<u>15,829</u>
Total property, plant and equipment	<u>748,171</u>	<u>766,377</u>
<b>9 TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Trade payables	16,918	6,498
Sundry creditors – members	4,679	6,145
Sundry creditors – regions	-	-
Accrued expenses	17,544	15,961
GST collected	20,205	35,508
	<u>59,346</u>	<u>64,112</u>
<b>10 INCOME IN ADVANCE</b>		
<b>Current</b>		
Advance revenue - members subscriptions	10,780	180,245
Advance revenue – other	86,075	98,653
	<u>96,855</u>	<u>278,898</u>
<b>11 OTHER CURRENT PROVISIONS</b>		
<b>Current</b>		
Provision for annual leave	5,028	7,491
Provision for long service leave	21,463	24,745
	<u>26,491</u>	<u>32,236</u>

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	2017	2016
	\$	\$
<b>12 EMPLOYEE BENEFITS</b>		
The aggregate employee benefits liability recognised and included in the financial statement is as follows:		
Provision for employee benefits		
Current (Note 11)	26,491	32,236
	<u>26,491</u>	<u>32,236</u>
Number of employees at year end	3	3
<b>13 CONTINGENT LIABILITIES</b>		
No material contingent liabilities exist at the date of this report (2016: Nil)		
<b>14 OPERATING LEASE COMMITMENTS</b>		
(a) Rent of Photocopier		
Total minimum future lease payments payable:		
-not later than 1 year	1,769	1,155
-later than 1 year but not later than 5 years	2,358	-
	<u>4,127</u>	<u>1,155</u>
(b) Rent of Postage Meter		
Total minimum future lease payments payable:		
-not later than 1 year	3,747	3,747
-later than 1 year but not later than 5 years	13,113	936
	<u>16,860</u>	<u>4,683</u>
<b>15 MEMBERS' GUARANTEE</b>		
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 \$10 each towards outstanding obligations of the company while they are a member or within one year of their membership ceasing. At 30 June 2017 the number of members are 1,706 (30 June 2016: 1,931).		

**AUSTRALIAN ALPACA ASSOCIATION LIMITED**  
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	2017 \$	2016 \$
<b>16 EVENTS SUBSEQUENT TO REPORTING DATE</b>		
On 18 July 2017 the directors wrote to the board of Australian Alpaca Fleece Ltd (AAFL) offering to sell the company's investment in AAFL of 150,000 \$1 preference shares and 375,002 \$1 ordinary shares for \$70,000.		
The directors of AAFL agreed to accept this offer in principle on 28 July 2017. The sale of the shares will result in the recoupment of the cost of the investment and the directors are of the opinion that the consideration payable represents fair value.		
There have been no other events subsequent to reporting date to the date of this report which materially affect the information disclosed.		
<b>17 CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of Cash</b>		
Cash at end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial position as follows:		
Petty cash float	400	400
Cash at bank - operating account	37,478	56,062
Cash at bank - cash management account	21,479	144,092
Cash at bank - term deposit	462,382	485,000
Cash at bank - provision account	731	33,100
Cash at bank – youth account	5,655	-
Cash at bank – national show account	2,421	-
Cash at bank and on hand - region accounts	160,698	122,428
Cash at bank - region investment accounts	178,869	216,220
Cash on hand/undeposited funds regions	1,498	108
	<u>871,611</u>	<u>1,057,410</u>
<b>(b) Reconciliation of Cash Flow from Operation with Surplus/(Deficit) after Income Tax</b>		
Surplus/(Deficit) after Income Tax	22,378	(83,097)
Non-cash flow items in Surplus/(Deficit)		
Depreciation	33,018	36,497
Provision - legal fees and other expenditures	-	(10,000)
Provisions & employee benefits	(5,745)	1,665
Changes in assets and liabilities		
Increase in trade & other receivables	(2,537)	(30,583)
(Increase)/Decrease in prepayments	(34,268)	10,883
Decrease/(Increase) in inventories	2,976	(653)
Decrease in trade & sundry creditors	(4,766)	(6,505)
(Decrease)/Increase in advance revenue	(182,043)	78,720
Cash flows used in operating activities	<u>(170,987)</u>	<u>(3,073)</u>

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	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Credit Standby Arrangements with Banks</b>		
Credit card facility (MasterCard)	5,000	5,000
Amount utilised as at 30 June	(1,194)	-
Unused credit facility	<u>3,806</u>	<u>5,000</u>

**18 ENTITY DETAILS**

The registered office of the company and the principal place of business is:

Australian Alpaca Association Limited  
Unit 2, 613 Whitehorse Road  
Mitcham Vic 3132

**AUSTRALIAN ALPACA ASSOCIATION LIMITED**  
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**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**DIRECTORS' DECLARATION**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**


The board of directors has 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 13 to 29 present fairly the company's financial position as at 30 June 2017 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

  
.....  
Mr Ian Frith

Treasurer

  
.....  
Mr Steven O'Keefe

Dated this

1st day of September 2017

## **Independent Auditor's Report to the Members of Australian Alpaca Association Limited**

### **Qualified 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 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

### **Basis for Qualified Opinion**

Disclosed in Note 2 to the financial statements is income and expenditure pertaining to the regional branches of Australian Alpaca Association Limited. This is also shown in the income statement as net regional expenditure. We were unable to obtain sufficient appropriate audit evidence regarding these balances. Consequently, we were unable to determine whether any adjustments to these balances were deemed necessary.

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.

## 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 2017, 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the needs of the members and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf). This description forms part of our auditor's report.



**CROWE HORWATH VIC**



**GORDON ROBERTSON**  
**Partner**

Dated at Pakenham this 7<sup>th</sup> day of September 2017