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Management Committee's Report

FOR THE YEAR ENDED 31 DECEMBER 2010

The Management Committee of the NSW Farmers' Natural Disaster Relief Fund Incorporated ("the Fund") submit herewith the annual financial report for the financial year ended 31 December 2010.

Information about the Committee Members

The names and particulars of the Committee Members of the Fund during or since the end of the financial year are:

| Director | Date Appointed | Date Resigned | Qualifications |
|--------------|----------------|---------------|-------------------------|
| CT Armstrong | 20/08/05 | | Farmer |
| JF Ridley | 31/07/08 | | Farmer |
| FA Simson | - | | Farmer |
| PR Darley | 30/07/08 | | Farmer |
| PJ Comensoli | 30/07/09 | | Farmer |
| MCF Brand | 25/10/10 | | Chief Executive Officer |

Principal activities

The principal activity of the Fund is to provide, in times of natural disaster, assistance to those affected.

Review of operations and significant changes in state of affairs

The net deficit for the Fund for the year was \$20 (2009: surplus \$25)

There was no significant change in the state of affairs of the Fund for the financial year.

Subsequent Events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Management Committee's Report

FOR THE YEAR ENDED 31 DECEMBER 2010

Meetings of Committee Members

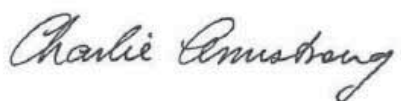
The numbers of meetings of the Fund's Management Committee held during the year ended 31 December 2010, and the numbers of meetings attended by each Committee Member were:

| | Number of Meetings | |
|--------------|--------------------|----------|
| | Held (1) | Attended |
| CT Armstrong | 1 | 1 |
| JF Ridley | 1 | 1 |
| GH Morphet | 1 | 1 |
| SP Morgan | 1 | 1 |
| PR Darley | 1 | 1 |
| PJ Comensoli | 1 | 1 |
| MCF Brand | - | - |
| FA Simson | - | - |

(1) Number of meetings held during the time the Committee Member held office or was a Member of the Committee during the year.

Dated at Sydney this 5th day of April 2011.

On behalf of the Committee Members



CT Armstrong
President



PJ Comensoli
Treasurer

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--|------|-------------|------------|
| Revenue | | | |
| Voluntary donations | | - | - |
| Bank Interest | | 60 | 25 |
| Total revenue | 2 | 60 | 25 |
| Expenses | | | |
| Administration expenses | | 80 | - |
| Total expenses | | 80 | - |
| Profit /(loss)for the year | | (20) | 25 |
| Total comprehensive income for the year | | (20) | 25 |

Statement Of Financial Position

AS AT 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|-----------------------------|------|--------------|------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4a | 7,033 | 7,053 |
| TOTAL CURRENT ASSETS | | 7,033 | 7,053 |
| TOTAL ASSETS | | 7,033 | 7,053 |
| NET ASSETS | | 7,033 | 7,053 |
| Accumulated funds | | 7,033 | 7,053 |
| TOTAL MEMBERS' FUNDS | | 7,033 | 7,053 |

Notes to the Financial Statements are included on pages 65 to 68

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2010

| | Accumulated Funds |
|------------------------------------|--------------------------|
| | \$ |
| Balance at 1 January 2009 | 7,028 |
| Net profit for the year | 25 |
| Balance at 31 December 2009 | 7,053 |
| Balance at 1 January 2010 | 7,053 |
| Net loss for the year | (20) |
| Balance at 31 December 2010 | 7,033 |

Notes to the Financial Statements are included on pages 65 to 68

Statement Of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|---|------|------------|------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Payments to suppliers | | (80) | - |
| Net cash outflow from operating activities | 4(b) | (80) | - |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Interest received | | 60 | 25 |
| Net cash inflow from investing activities | | 60 | 25 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Net cash inflow from financing activities | | - | - |
| NET(DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS | | (20) | 25 |
| Cash and cash equivalents at the beginning of the financial year | | 7,053 | 7,028 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | 4a | 7,033 | 7,053 |

Notes to the Financial Statements are included on pages 65 to 68

Notes To The Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

1. Significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Associations Incorporation Act 1991, and Accounting Standards and Interpretations and complies with the requirements of the law.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the Fund comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Management Committee on 5 April 2011.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Fund's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of the acquisition.

(b) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

i. Donation revenue

Donation revenue is recognised on receipt.

ii. Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

All revenue is stated net of the amount of goods and services tax (GST).

Notes To The Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

1. Significant accounting policies (continued)

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows

(d) Adoption of new and revised Accounting Standards

In the current year, the Association has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. No new and revised standards and interpretations that have been adopted in the current period have affected the amounts reported in these financial statements. Details of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out below.

Standards affecting presentation and disclosure:

AASB 101 *Presentation of Financial Statements* (as revised in September 2007), AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* and AASB 2007-10 *Further Amendments to Australian Accounting Standards arising from AASB 101*.

AASB 101 (September 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

(e) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, a number of Standards and Interpretations were in issue but not yet effective.

Initial application of the following Standards is not expected to have any material impact on the financial report of the association:

| Standard/Interpretation | Effective for annual reporting periods beginning on or after | Expected to be initially applied in the financial year ending |
|--|--|---|
| AASB 9 'Financial instruments, AASB 2009-11 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9' | 1 January 2013 | 31 December 2013 |
| AASB 124 'Related party Disclosures (2009), AASB 2009-12 A Amendments to Australian Accounting Standards' | 1 January 2011 | 31 December 2011 |
| AASB 2009-10 'Amendment to Australian Accounting Standards –Classification of Rights Issues' | 1 February 2010 | 31 December 2011 |

Notes To The Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

1. Significant accounting policies (continued)

(e) Standards and Interpretations issued not yet effective (continued)

| | | |
|--|----------------|------------------|
| AASB 2009- 14 'Amendment to Australian Interpretation – Prepayments of a Minimum Funding Requirement' | 1 January 2011 | 31 December 2011 |
| AASB 2010-3 'Amendments to Australian Accounting Standards arising from the Annual Improvements Process' | 1 July 2010 | 31 December 2011 |
| AASB 2010-4 'Further Amendment to Australian Accounting Standards' arising from the Annual Improvements Process' | 1 January 2011 | 31 December 2011 |
| AASB 2010-5 'Amendment to Australian Accounting Standards' | 1 January 2011 | 31 December 2011 |
| AASB 2010-6 'Amendment to Australian Accounting Standards – Disclosures on Transfers of Financial Assets' | 1 July 2010 | 31 December 2012 |
| AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)' | 1 January 2013 | 31 December 2013 |
| AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets' | 1 January 2012 | 31 December 2012 |
| AASB 'Interpretation 19 Extinguishing Financial liabilities with Equity Instruments' | 1 July 2010 | 31 December 2011 |
| AASB 1053 'Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements' | 1 July 2013 | 31 December 2014 |

Notes To The Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2010

| | Note | 2010 \$ | 2009 \$ |
|--------------------------|------|------------|------------|
| 2. REVENUE | | | |
| From operations | | | |
| Other revenue - interest | | 60 | 25 |
| | | 60 | 25 |

3. PROFIT FOR THE YEAR

Profit for the year includes the following expenses:

Remuneration of the auditors, Deloitte ToucheTohmatsu for

- Audit services

The audit fee is paid by an associated entity NSW Farmers' Association.

4. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks and monies on deposit at call. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the relevant items in the Statement of Financial Position as follows:

| | Note | 2010 \$ | 2009 \$ |
|--------------|------|--------------|--------------|
| Cash at bank | | 7,033 | 7,053 |
| | | 7,033 | 7,053 |

(b) Reconciliation of net profit for the year to net cash inflow from operating activities

| | | |
|---|-------------|----------|
| Profit /(loss) for the year | (20) | 25 |
| Interest received | (60) | (25) |
| Net cash outflow from operating activities | (80) | - |

5. FINANCIAL INSTRUMENTS

The Fund does not have any financial instruments.

6. FUND DETAILS

The principal place of business for the Fund is:

NSW Farmers' Association
Level 25, 66 Goulburn Street
Sydney NSW 2000

Management Committee's Declaration

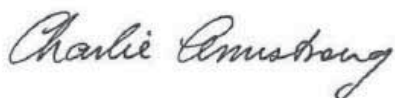
The Members of the Management Committee declare that:

- a) in the Committee's opinion, there are reasonable grounds to believe that the fund will be able to pay its debts as and when they become due and payable;
- b) In the Committee's opinion, the attached financial statements and notes thereto are in accordance with the Associations Incorporation Act 1991, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund; and
- c) In the Committee's opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1.

Signed in accordance with a resolution of the Management Committee.

Dated at Sydney this 5th day of April 2011.

On behalf of the Committee Members



CT Armstrong
President



PJ Comensoli
Treasurer

Independent Auditor's Report to the members of NSW Farmers' Natural Disaster Relief Fund Incorporated

We have audited the accompanying financial report of NSW Farmers' Natural Disaster Relief Fund Incorporated ("the Fund"), which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and Management Committee's declaration as set out on pages 62 to 69.

Management Committee's Responsibility for the Financial Report

The Management Committee of the entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and mandatory financial reporting requirements imposed by the Association Incorporation Act 1991, and for such internal control as the Management Committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Management Committee also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Committee, as well as evaluating the overall presentation of the financial report.

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

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Deloitte.

Opinion

In our opinion:

- (a) the financial report of NSW Farmers' Natural Disaster Relief Fund Incorporated presents fairly, in all material respects, the fund's financial position as at 31 December 2010 and its financial performance for the year then ended in accordance with Australian Accounting Standards and mandatory financial reporting requirements imposed by the Association Incorporation Act 1991; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants
Sydney, 5 April 2011