

# Livestock SA Incorporated

ABN 12 332 656 991

## Independent Auditor's Report to the Members

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### Report on the Financial Report

We have audited the accompanying financial report of Livestock SA Incorporated (the association), which comprises the Board of Management's Report, Income and Expenditure Statement, Detailed Statement of Financial Position, a summary of significant accounting policies and other explanatory notes for the financial year ended 30 June 2016.

### Board of Management's Responsibility for the Financial Report

The Board of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Associations Incorporation Act 1985 (SA), and for such internal control as management determines 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, management also states in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial report complies 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 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.

### Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

### Auditor's Opinion

In our opinion:

- (i) The financial report gives a true and fair view of the financial position of Livestock SA Incorporated as 30 June 2016, and of its performance and its cash flows for the year ended in accordance with the Australian Accounting Standards and the Associations Incorporation Act 1985; and
- (ii) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Signed on 30 August, 2016:

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Matthew White, ACA 90095  
Business Initiatives Pty Ltd  
20D William Street, Norwood SA 5067

# Livestock SA Incorporated

ABN 12 332 656 991

## Committee's Report For the year ended 30 June 2016

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Your Board of Management submits the financial accounts of the Livestock SA Incorporated for the financial year ended 30 June 2016.

### Board Members

The names of Board Members at the date of this report are:

Geoff Power  
Joe Keynes  
Steve Radeski  
Jack England  
Andrew Clarke  
Richard Halliday  
Bill Nosworthy  
Allan Piggott  
Penny Schulz  
Andrew Withers

### Principal Activities

The principal activities of the association during the financial year were: Not for profit organisation representing all sheep, beef cattle and goat producers who have contributed funds through the Primary Industries Funding Scheme to the SA Sheep and Cattle Industry Funds.

### Significant Changes

No significant change in the nature of these activities occurred during the year.

### Operating Result

The profit from ordinary activities after providing for income tax amounted to

Year ended	Year ended
30 June 2016	30 June 2015
\$	\$
48,438.24	127,131.94

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The accompanying notes form part of these financial statements.

# **Livestock SA Incorporated**

ABN 12 332 656 991

## **Committee's Report For the year ended 30 June 2016**

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Signed in accordance with a resolution of the Members of the Committee on:

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Geoff Power

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Joe Keynes

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**The accompanying notes form part of these financial statements.**

# Livestock SA Incorporated

ABN 12 332 656 991

## Income and Expenditure Statement For the year ended 30 June 2016

	2016	2015
	\$	\$
<b>Income</b>		
Associated Membership Subscriptions	-	200.00
Drought Project Receipts	-	750,000.00
Sheep Industry Blueprint	216,999.92	140,000.00
Other Project Grant Funding	289,304.75	12,524.58
Levies - SA Cattle Industry Fund	198,288.00	100,204.00
Levies - SA Sheep Industry Fund	352,512.00	175,753.00
Livestock BioSecurity Network	-	3,200.00
Rent Received	2,120.00	-
Sponsorship - Wootag	772.73	1,000.00
Reimbursements	896.00	-
Interest Received	2,564.40	3,566.75
Total income	<u>1,063,457.80</u>	<u>1,186,448.33</u>

## Expenses

Accountancy	1,160.00	2,182.00
Administration Staff Costs	24,033.72	17,340.40
Audit Fees	1,950.00	1,950.00
Bank Charges	70.93	22.14
Board Meetings - Sitting Fees	6,540.00	8,940.00
Chair Allowance	20,000.00	15,000.00
Cleaning	1,122.87	929.41
Consultancy Fees	10,437.33	-
Depreciation	69.00	-
Electricity	1,385.08	1,079.61
Fees - Cattle Council	22,727.28	22,727.28
Fees - Goat Industry	3,194.56	2,904.00
Fees - PPSA Membership	12,000.00	10,909.09
Fees - SEALEA	227.27	227.27
Fees - Sheepmeat Council	15,196.36	15,000.00
Fees - Wool Producers	27,144.90	27,145.00
Function Expenses	2,028.18	828.61
IR Support	14,400.00	15,309.09
Insurance	6,324.68	5,830.45
Internet, Software & Technical Support	2,845.03	944.96
Lease - Office Equipment	1,200.00	800.00
Legal Fees	146.00	1,056.50
Media Communications	50,675.93	28,786.04

The accompanying notes form part of these financial statements.

# Livestock SA Incorporated

ABN 12 332 656 991

## Income and Expenditure Statement For the year ended 30 June 2016

	2016	2015
	\$	\$
Motor Vehicle Expenses	-	115.72
Office Supplies	812.48	322.50
Parking	610.10	198.17
Photocopier Charges	4,880.43	2,889.49
Postage	7,358.60	4,587.46
Project - Drought	298,281.59	705,911.02
Project - Sheep Industry Blueprint	218,349.85	4,250.99
Projects - Sundry	50,122.39	2,320.03
Printing & Stationery	8,305.87	3,962.87
Producer Forum Expenses	16,040.33	4,687.39
Provision for Annual Leave	3,700.71	-
Rent	20,007.27	18,339.99
Sponsorships & Exhibitions	5,029.55	1,354.10
Superannuation	9,980.46	8,074.96
Telephone	2,258.08	2,372.47
Travel & Accommodation	33,603.73	33,010.71
Wages & Salaries	106,147.73	85,489.98
Website Expenses	4,272.73	447.27
WorkCover	378.54	1,069.42
Total expenses	1,015,019.56	1,059,316.39
<b>Profit from ordinary activities before income tax</b>	<b>48,438.24</b>	<b>127,131.94</b>
Income tax revenue relating to ordinary activities	-	-
<b>Net profit attributable to the association</b>	<b>48,438.24</b>	<b>127,131.94</b>
<b>Total changes in equity of the association</b>	<b>48,438.24</b>	<b>127,131.94</b>
Opening retained profits	579,242.21	452,110.27
Net profit attributable to the association	48,438.24	127,131.94
<b>Closing retained profits</b>	<b>627,680.45</b>	<b>579,242.21</b>

The accompanying notes form part of these financial statements.

# Livestock SA Incorporated

ABN 12 332 656 991

## Detailed Statement of Financial Position as at 30 June 2016

	2016	2015
	\$	\$
<hr/>		
<b>Current Assets</b>		
<b>Cash Assets</b>		
Business Cheque Account	246,177.30	108,685.68
Online Saver Account	223,670.93	50,107.34
Projects Account	194,310.79	161,564.80
Petty Cash on Hand	127.30	300.00
	<hr/> 664,286.32	<hr/> 320,657.82
<b>Receivables</b>		
Trade Debtors	2,200.00	310,640.00
Debtor - Workcover	526.15	-
	<hr/> 2,726.15	<hr/> 310,640.00
<b>Total Current Assets</b>	<hr/> <b>667,012.47</b>	<hr/> <b>631,297.82</b>
<b>Non-Current Assets</b>		
<b>Property, Plant and Equipment</b>		
Office Equipment	4,606.36	-
Less: Accumulated Depreciation	(69.00)	-
	<hr/> 4,537.36	<hr/> -
<b>Total Non-Current Assets</b>	<hr/> <b>4,537.36</b>	<hr/> -
<b>Total Assets</b>	<hr/> <b>671,549.83</b>	<hr/> <b>631,297.82</b>

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The accompanying notes form part of these financial statements.

# Livestock SA Incorporated

ABN 12 332 656 991

## Detailed Statement of Financial Position as at 30 June 2016

	2016	2015
	\$	\$
<b>Current Liabilities</b>		
<b>Payables</b>		
<b>Unsecured:</b>		
Trade Creditors	6,403.74	7,151.02
	<u>6,403.74</u>	<u>7,151.02</u>
<b>Current Tax Liabilities</b>		
GST Control Account	30,717.93	40,722.86
PAYG Outstanding	3,047.00	700.00
Superannuation Liability	-	3,481.73
	<u>33,764.93</u>	<u>44,904.59</u>
<b>Other</b>		
Provision for Annual Leave	3,700.71	-
	<u>3,700.71</u>	<u>-</u>
<b>Total Current Liabilities</b>	<u><b>43,869.38</b></u>	<u><b>52,055.61</b></u>
<b>Total Liabilities</b>	<u><b>43,869.38</b></u>	<u><b>52,055.61</b></u>
<b>Net Assets</b>	<u><b>627,680.45</b></u>	<u><b>579,242.21</b></u>
<b>Members' Funds</b>		
Accumulated surplus (deficit)	627,680.45	579,242.21
<b>Total Members' Funds</b>	<u><b>627,680.45</b></u>	<u><b>579,242.21</b></u>

The accompanying notes form part of these financial statements.

# Livestock SA Incorporated

ABN 12 332 656 991

## Notes to the Financial Statements

For the year ended 30 June 2016

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### Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act 1985.

The financial report covers Livestock SA Incorporated as an individual entity. Livestock SA Incorporated is an association incorporated in South Australia under the Associations Incorporation Act 1985.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### Income tax

The Association does not pay income tax.

#### Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

##### a) Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is a policy of Livestock SA Incorporated to have an independent valuation every three years, with annual appraisals being made by the directors.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

##### b) Plant and equipment

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

##### c) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to Livestock SA Incorporated commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

#### Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to Livestock SA Incorporated are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that ownership of the asset will be obtained or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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The accompanying notes form part of these financial statements.



# Livestock SA Incorporated

ABN 12 332 656 991

## Notes to the Financial Statements

### For the year ended 30 June 2016

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Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability. Lease payments received reduce the liability.

### Investments

Shares in listed companies held as current assets are valued at those shares' market value at each balance date. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities before income tax.

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments.

The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

### Employee entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

Contributions are made by Livestock SA Incorporated to an employee superannuation fund and are charged as expenses when incurred.

Livestock SA Incorporated does not record, as an asset or a liability, the difference between the employer established defined benefit superannuation plan's accrued benefits and the net market value of the plans assets.

Livestock SA Incorporated operates an ownership-based remuneration scheme, details of which are provided in the Notes to Accounts. Profits or losses incurred by employees, being the difference between the market value and the par value of the shares acquired, are not recorded as remuneration paid to employees.

### Comparative Figures

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

### Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

# Livestock SA Incorporated

ABN 12 332 656 991

## Statement by Members of the Committee For the year ended 30 June 2016

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In the opinion of the Committee the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents fairly the financial position of Livestock SA Incorporated as at 30 June 2016 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

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Geoff Power  
President

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Joe Keynes  
Vice President

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**The accompanying notes form part of these financial statements.**