

SOUTH AUSTRALIAN SHEEP INDUSTRY FUND

Statement of Financial Performance for the year ended 30 June 2003

	Note	2003 \$	2002 \$
REVENUES FROM ORDINARY ACTIVITIES			
Contributions	3	2 611 569	1 460 830
Interest		57 587	43 960
Other revenue		-	2 332
Total Revenues		2 669 156	1 507 122
EXPENSES FROM ORDINARY ACTIVITIES			
Projects	4	1 562 068	1 054 853
Supplies and services	5	120 762	136 982
Employee costs		4 394	3 394
Total Expenses		1 687 224	1 195 229
NET SURPLUS FROM ORDINARY ACTIVITIES		981 932	311 893
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH THE STATE GOVERNMENT AS OWNER			
		981 932	311 893

Statement of Financial Position as at 30 June 2003

	Note	2003 \$	2002 \$
CURRENT ASSETS			
Cash		909 314	521 538
Receivables	6	4 316	1 488
Total Assets		913 630	523 026
CURRENT LIABILITIES			
Payables	7	8 672	-
Advances	8	600 000	600 000
Total Current Liabilities		608 672	600 000
NON-CURRENT LIABILITIES			
Advances	8	1 836 564	2 436 564
Total Non-Current Liabilities		1 836 564	2 436 564
Total Liabilities		2 445 236	3 036 564
NET ASSETS		(1 531 606)	(2 513 538)
EQUITY			
Accumulated Deficit	9	(1 531 606)	(2 513 538)
TOTAL EQUITY		(1 531 606)	(2 513 538)

SOUTH AUSTRALIAN SHEEP INDUSTRY FUND

Statement of Cash Flows for the year ended 30 June 2003

		2003 \$	2002 \$
	Note	Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions		2 611 569	1 460 830
Interest		54 759	42 472
Other receipts		-	2 332
Projects		(1 562 067)	(1 054 853)
Supplies and services		(112 090)	(136 982)
Employee costs		(4 395)	(3 394)
Net Cash provided by Operating Activities	10(a)	987 776	310 405
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of advances		(600 000)	(400 000)
Net Cash used by Financing Activities		(600 000)	(400 000)
NET INCREASE (DECREASE) IN CASH HELD		387 776	(89 595)
CASH AT 1 JULY		521 538	611 133
CASH AT 30 JUNE	10(b)	909 314	521 538

SOUTH AUSTRALIAN SHEEP INDUSTRY FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Establishment of the Fund and Purpose

The South Australian Sheep Industry Fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998*.

The primary purposes of the Fund are to:

- (a) Fund the operations of the South Australian Sheep Advisory Group (SASAG).
- (b) Make payments of financial assistance to farmers in line with the Regulations.
- (c) Undertake projects as advised by SASAG.
- (d) Assist in the maintenance of the dog fence.

2. Statement of Accounting Policies

(a) *Basis of Accounting*

The financial statements are prepared in accordance with Statements of Accounting Concepts, applicable Australian Accounting Standards, Urgent Issues Group Consensus Views and Treasurer's Instructions issued pursuant to the *Public Finance and Audit Act, 1987*. The statements have been prepared in accordance with the historical cost convention using the accrual method of accounting.

(b) *Recognition of Revenue*

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised when it is earned.

(c) *Employee Costs*

Employees of the Department of Primary Industries and Resources (the Department) perform administrative tasks associated with the Fund and costs associated with the performance of these tasks are charged as an expense against the Fund.

(d) *Financial Instruments*

Financial Assets

Cash comprises deposits at call with the Westpac Banking Corporation. Interest revenues are recognised as they accrue.

Receivables are reported as amounts due, less any provision for doubtful debts.

Financial Liabilities

Payables are recognised for goods and services that have been supplied but have not been paid as at 30 June 2003. Payables are recorded at cost and are normally settled within 30 days.

Advances are recorded as the amounts outstanding to the State Bio-Security Fund.

3. Contributions

Section 6 of the Regulations state that a contribution of \$0.40 per sheep must be paid into the Fund in respect of each contract for sale under which 5 or more sheep are sold for an average price of \$5 or more per sheep.

4. Projects

	2003	2002
	\$	\$
Ovine Johnes Project (OJD) ⁽¹⁾	1 353 683	794 918
Dog fence	156 569	152 935
Sheep lice market inspection program	46 715	57 000
Box flat dingo control	5 100	-
National Livestock Identification Scheme for sheep	-	50 000
	<u>1 562 067</u>	<u>1 054 853</u>

(1) Includes macropod survey on Kangaroo Island, Market Assurance Program subsidy (MAP) and Property Disease Eradication Assistance (PDEA).

5. Supplies and Services

	2003	2002
	\$	\$
Executive support	30 025	26 696
Administrative costs - SASAG	25 890	-
Sitting fees and other fees- SASAG and OJD Committees	22 193	58 564
Travel - SASAG	18 148	36 535
Contribution refunds	10 491	7 198
Audit fee payable to the Auditor-General's Department for auditing the 2002-03 financial statements	4 500	-
Review of OJD program	4 170	-
Sundry expenditure	5 345	7 029
Levy Audit contract	-	960
	<u>120 762</u>	<u>136 982</u>

6. Receivables

	2003	2002
	\$	\$
Accrued Interest	4 316	1 488

7. Payables

	2003	2002
	\$	\$
Audit fee payable to the Auditor-General's Department for auditing the 2002-03 financial statements	4 500	-
Other creditors	4 172	-
	<u>8 672</u>	<u>-</u>

8. Advances

Represents a commitment by the SA Sheep Industry Fund to repay outstanding advances made by the State Bio-Security Fund in prior years in relation to Johne's Disease.

9. **Accumulated Deficit**

	2003	2002
	\$	\$
Balance at 1 July	(2 513 538)	(2 825 431)
Net surplus from ordinary activities	981 932	311 893
Balance at 30 June	<u>(1 531 606)</u>	<u>(2 513 538)</u>

10. **Notes to the Statement of Cash Flows**

(a) **Reconciliation of Net Surplus from Ordinary Activities to Net Cash Provided by Operating Activities**

	2003	2002
	\$	\$
Net surplus from ordinary activities	981 932	311 893
Movement in assets and liabilities:		
Increase in receivables	(2 828)	(1 488)
Increase in payables	8 672	-
Net Cash provided by Operating Activities	<u>987 776</u>	<u>310 405</u>

(b) **Definition of Cash**

For the purposes of the Statement of Cash Flows, cash comprises cash deposits with the Westpac Banking Corporation.

11. **Financial Instruments**

(a) **Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position.

(b) **Interest Rate Risk**

The Fund's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rate on those financial assets and financial liabilities, is as follows:

	Weighted Average Interest Rate Percent	Floating Interest \$	Non- Interest Bearing \$	2003 Total \$
Financial Assets:				
Cash	4.60	909 314	-	909 314
Receivables	-	-	4 316	4 316
Total		<u>909 314</u>	<u>4 316</u>	<u>913 630</u>
Financial Liabilities:				
Payables	-	-	8 672	8 672
Advances	-	-	2 436 564	2 436 564
Total		<u>-</u>	<u>2 445 236</u>	<u>2 445 236</u>

(c) Net Fair Value

The carrying amounts of financial assets and liabilities at the reporting date all approximate their net fair values.