

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF
SOUTH AUSTRALIAN GRAIN INDUSTRY TRUST FUND

We have audited the accompanying financial report, being a special purpose financial report, of South Australian Grain Industry Trust Fund, which comprises the balance sheet as at 31 December 2014, the income statement, statement of recognised income and expenses and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the trustees declaration.

Trustees' Responsibility for the Financial Report

The Trustees of the fund are responsible for the preparation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the trust's constitution. The trustee's responsibility also includes such internal control as trustees determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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. These Auditing Standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 trustees, 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 the Australian professional accounting bodies.

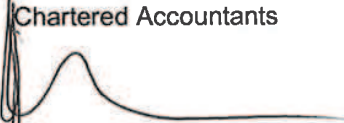
Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of South Australian Grain Industry Trust Fund as of 31 December 2014 and its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the South Australian Grain Industry Trust Fund to meet the requirements of the Trust's constitution. As a result, the financial report may not be suitable for another purpose.

RSM BIRD CAMERON
Chartered Accountants



Rodney Miller
Director

Canberra, Australian Capital Territory
Dated: 17th April 2015

SOUTH AUSTRALIAN GRAIN INDUSTRY TRUST FUND

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2014**

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SOUTH AUSTRALIAN GRAIN INDUSTRY TRUST FUND

DECLARATION BY TRUSTEES

The Trustees' declare that the Trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Trustees of the Trust declare that:

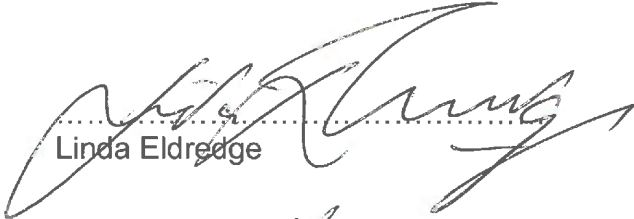
1. the financial statements and notes, as set out on pages 3 to 10 presents fairly the Trust's financial position as at 31 December 2014 and its performance for the year ended on that date in accordance with the accounting policies in Note 1 to the financial statements;
2. in the Trustee's opinion there are reasonable grounds to believe that the Trust 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 Trustees.


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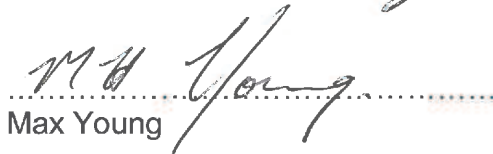
Michael Treloar

16 / 4 / 2015


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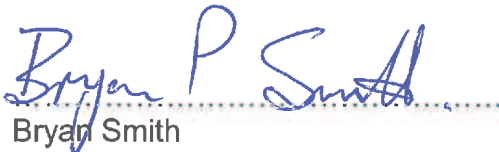
Linda Eldredge

16 / 4 / 2015


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Max Young

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Bryan Smith

16 / 4 / 15

SOUTH AUSTRALIAN GRAIN INDUSTRY TRUST FUND

**BALANCE SHEET
AS AT 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash	2	4,579,936	4,456,663
Receivables	3	229,015	327,307
Financial assets at fair value through the profit and loss	4	1,211,096	1,174,283
TOTAL CURRENT ASSETS		<u>6,020,047</u>	<u>5,958,253</u>
TOTAL ASSETS		<u>6,020,047</u>	<u>5,958,253</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables		75,329	12,497
TOTAL CURRENT LIABILITIES		<u>75,329</u>	<u>12,497</u>
NET ASSETS		<u>5,944,718</u>	<u>5,945,756</u>
EQUITY			
Retained profits		5,945,756	5,558,821
Distribution of research grants		(2,427,273)	(1,922,200)
Current year earnings		2,426,235	2,309,135
TOTAL EQUITY		<u>5,944,718</u>	<u>5,945,756</u>

The above balance sheet should be read in conjunction with the accompanying notes.

SOUTH AUSTRALIAN GRAIN INDUSTRY TRUST FUND

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
REVENUE			
Levies Received		2,340,295	2,001,501
Interest income		156,388	173,151
Dividends and Distributions Received		50,146	48,519
Refund of Imputation Credits		18,449	14,675
Profit on sale of shares		91,116	34,901
Sundry Income		465	-
Increase in value of shares		-	120,689
Royalty income		114,534	120,661
		<u>2,771,393</u>	<u>2,514,097</u>
EXPENSES			
Audit Fees		5,880	6,700
Accommodation		4,346	3,825
Advertising		4,857	3,608
Consultants Fees		12,070	-
Loss on Sale of Shares		-	4,007
Secretariat Fee		30,675	31,266
Legal Fees		4,180	7,277
Financial Planning Fee		10,062	29,716
Decrease in Market Value of Shares		114,416	-
General Expenses		14,492	6,278
Management Fees		55,671	50,375
Meeting/Meal expenses		1,250	3,321
Promotion expenses		-	422
Scientific Officer		18,257	8,969
Website Expenses		2,600	1,200
Trust Sitting Fees and Travel		66,402	47,998
		<u>345,158</u>	<u>204,962</u>
Profit		<u>2,426,235</u>	<u>2,309,135</u>
Income tax expense	6	-	-
Net profit for the year		<u>2,426,235</u>	<u>2,309,135</u>

The above income statement should be read in conjunction with the accompanying notes.

SOUTH AUSTRALIAN GRAIN INDUSTRY TRUST FUND

**STATEMENT OF RECOGNISED INCOME AND EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
	\$	\$
Total equity at the beginning of the financial year	5,945,756	5,558,821
Profit for the year	2,426,235	2,309,135
Distribution of research grants	(2,427,273)	(1,922,200)
Total equity at the end of the financial year	<u>5,944,718</u>	<u>5,945,756</u>

The above statement of recognised income and expenses should be read in conjunction with the accompanying notes.

SOUTH AUSTRALIAN GRAIN INDUSTRY TRUST FUND

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts Grain levies & Other		2,438,587	1,764,916
Interest Received		156,388	173,151
Dividends Received		68,595	63,194
Other Income		114,998	120,661
Payments to suppliers		(167,909)	(227,006)
Distribution of research grants		(2,427,273)	(1,920,625)
Net cash inflow from operating activities	5(b)	183,386	(25,709)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from Sale of Investments		367,138	271,020
Payments for Shares		(427,251)	(383,633)
Net cash outflow from investing activities		(60,113)	(112,613)
Net increase/(decrease) in cash and cash equivalents held		123,273	(138,322)
Cash and cash equivalents at 1 January		4,456,663	4,594,985
Cash and cash equivalents at 31 December	5(a)	4,579,936	4,456,663

The above cash flow statement should be read in conjunction with the accompanying notes.

SOUTH AUSTRALIAN GRAIN INDUSTRY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Trust is not a reporting entity because, in the Trustees' opinion, it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

This special purpose financial report has been prepared for the sole purpose of complying with the requirements of the Trust Deed to prepare accounts and must not be used for any other purpose. The Trustees have determined that the accounting policies adopted are appropriate to the needs of the users.

This financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 110: Events after the Balance Sheet Date
AASB 1031: Materiality

No other Australian Accounting Standards or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Historical cost convention

These financial statements have been prepared on an accrual basis and are based on historic costs and does not take into account changing money values or, except where specifically stated.

(b) Financial assets

The Trust classifies its investments as financial assets at fair value through profit and loss as they are held for trading for the purpose of short term profit taking. Realised and unrealised gains and losses arising from changes in the fair value are included in profit and loss in the period in which they arise.

Fair value is determined based on current bid prices for all quoted investments.

(c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, money market deposits, term deposits which have a maturity of 12 months or less from the date of acquisition, which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

SOUTH AUSTRALIAN GRAIN INDUSTRY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT.

(d) Revenue Recognition

Grain levies are received from PIRSA on a monthly basis. The amount shown in the financial statement represents grain levies for the 12 months ended 31 December 2014.

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

Dividend revenue is recognised when the right to receive a dividend has been established.

Royalty income is recognised when the right to receive a royalty has been established.

(e) Intangible assets

Intangible assets have not been brought to account in these financial statements.

(f) Research grant payments

Research funding paid to external research organizations is recognised directly in equity when the conditions of the funding agreement have been satisfied.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

SOUTH AUSTRALIAN GRAIN INDUSTRY TRUST FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
	\$	\$
NOTE 2 – CASH & CASH EQUIVALENTS		
OML Cash Management	-	60,744
Macquarie Cash Management	613,608	-
Adelaide and Bendigo Bank - Money Market at Call Account	466,328	795,919
Term deposits	<u>3,500,000</u>	<u>3,600,000</u>
	<u><u>4,579,936</u></u>	<u><u>4,456,663</u></u>

NOTE 3 – RECEIVABLES

CURRENT ASSETS

Other Debtors	200,669	319,858
GST Receivable	20,505	-
Prepayments	<u>7,841</u>	<u>7,449</u>
	<u><u>229,015</u></u>	<u><u>327,307</u></u>

NOTE 4 - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

CURRENT ASSETS

At beginning of year	1,174,283	910,087
Additions	427,251	383,633
Disposals	(276,022)	(240,126)
Unrealised (loss) / gain to income statement	<u>(114,416)</u>	<u>120,689</u>
At end of year	<u><u>1,211,096</u></u>	<u><u>1,174,283</u></u>

NOTE 5 – CASH FLOW INFORMATION

(a) Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash on hand and at bank, investments in money market instruments and cash equivalents.

At Call Deposits with Banks	<u>4,579,936</u>	<u>4,456,663</u>
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(b) Reconciliation of profit for the year after income tax to net cash flows from operating activities

Profit for year	2,426,235	2,309,135
less distribution of research grants	<u>(2,427,273)</u>	<u>(1,922,200)</u>
(Loss) / profit after distributions	<u>(1,038)</u>	<u>386,935</u>
Non-cash flows in net profit		
(Profit)/Loss on sale of shares	(91,116)	(30,894)
Revaluation of listed shares	114,416	(120,689)
Changes in assets and liabilities		
(Increase) / Decrease in other debtors	98,292	(236,586)
Increase / (Decrease) in creditors	<u>62,832</u>	<u>(24,475)</u>
Net cash flows from operating activities	<u><u>183,386</u></u>	<u><u>(25,709)</u></u>

SOUTH AUSTRALIAN GRAIN INDUSTRY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 6 –INCOME TAX EXPENSE

The Trust Fund is exempt from income tax under s50-5 of the Income Tax Assessment Act 1997.

NOTE 7 - SEGMENT INFORMATION

The Trust operates in the grains sector throughout South Australia.

NOTE 8 – FUTURE COMMITMENTS

Project Funding

The Trustees have approved projects for the 2015 and 2016 financial years as follows. There is a commitment to pay the full balance of future funds.

	2014	2013
	\$	\$
Committed fund - 0-12 months	1,762,671	1,812,981
Committed Funds - 13+ months	<u>1,228,105</u>	<u>1,310,966</u>
	<u>2,990,776</u>	<u>3,123,947</u>