



Livestock SA

Annual Report
2016 - 17



Annual Report

In June 2017, Livestock SA celebrated four years of providing industry advocacy to sheep, cattle, goat and wool producers in South Australia. Advocacy has been across a range of industry issues and initiatives, as outlined in the following annual report.

Highlights

3000th member. Livestock SA marked a milestone in October 2016, with the signing of its 3000th membership, sheep producers David Rowsell and Lyn Dohle from Kangaroo Island. As at June 30 membership had increased to 3165 – up from 2886 the previous year.

Work health and safety. Livestock SA contributed towards the content and production of the new *Farmers' Guidebook to work health and safety*. It was a joint production between SafeWork SA and PPSA's commodity members. The guidebook is a comprehensive and practical guide to making farms safe workplaces and has been developed to help farmers understand their legal responsibilities as well as provide practical solutions to health and safety issues to help prevent serious or fatal injury on their properties. It was launched at the EP Field Days in August 2016 and was followed by a SafeWork SA roadshow of 15 workshops held across SA during March to May.

Livestock Brands app. Livestock SA is working with the State Government on a new online system for producers to register brands and earmarks, after the *Brands Act 1933* was formally repealed on January 1, 2016. The app was launched this month and will streamline the way brands are registered. Livestock SA members have been providing feedback on the app.

SA Sheep Industry Blueprint. The Blueprint celebrated 12-months of operation in April with the project well on track to achieving its overarching aim to increase productivity by 20% by 2020. Several projects are underway towards achieving this objective, including Lifetime Ewe Management Adoption, improving lamb survival by optimising lambing density, establishing an Australia Merino Sire Evaluation Association site in SA, installation of a hook tracking system at JBS Bordertown, and development of a rapid sheep lice detection test.

WoolTAG tool boxes. Funding support from Livestock SA, the SA Sheep Industry Fund and AWI meant a second round of 'tool boxes' were officially presented during the Royal Adelaide Show to 40 students who had completed their shearing or wool classing courses.

Administration and governance

Livestock SA is committed to efficient administration and best practice corporate governance. This ensures that the organisation is well placed to represent livestock producers and able to take up various issues on their behalf. Key aspects of this included:

Third AGM. Livestock SA's third AGM 2016 AGM was held on September 16, 2016 at Hahndorf. There were eight nominations received for five positions on the Livestock SA Board, with Andrew Clarke, Joe Keynes, Bill Nosworthy and Penny Schulz re-elected plus Jamie Heinrich as the only new member replacing Steve Radeski. It was pleasing to note that alongside a strong growth in membership, the proportion of members who voted remained virtually

the same (26%). The first South Australian Cattle Producers Forum, with support from MLA, Cattle Council of Australia and WFI, was held in conjunction with the AGM and about 100 producers and stakeholders attended.

Regional input. Livestock SA has two strong regional groups – Northern (representing the pastoral region) and Southern, both of which hold regular meetings as well as being present at various functions or asked for input in their own regions.

> **The Northern Region.** The group formed a Pastoral Task Force to focus on pastoral issues including improving communications with the Pastoral Board. A meeting was held at Mungerannie in February with up to 30 people attending to have their say on a range of issues, including the management of bores and bore infrastructure in the Great Artesian Basin, the development of the SA Beef Industry Blueprint, new arrangements for backpacker labour and the development of an app to record brands.

> **The Southern Region.** The group held their AGM at Mount Gambier in July 2016 with Denis Napthine, previously Premier of Victoria, speaking about the politics of animal welfare. There have been further meetings at Robe, where Tony Mahar from NFF was guest speaker, Kingston where management of feral deer was the main issue discussed, and Meningie where stock water prices were the key topic.

Funding. Having reliable access to funds remains an issue for the continuation of Livestock SA. While both the SA Sheep and Cattle Advisory Groups approved Livestock SA funding application for three years, this is only approved by the Minister on a 12 months basis.

Staffing. While funding remains tight, Livestock SA is now able to employ part time and casually a CEO, several policy officers and administrative support. Andrew Curtis has now been the CEO for over a year. He is also CEO of the SA Dairyfarmers' Association.

Media and communication. Livestock SA continues to receive good media coverage. During the year, there were 17 media releases, and the issues covered included a call for funding for control of wild dogs, comments on the State Budget, lack on maintenance on the SE drains, biosecurity, Q fever and NLIS compliance. All members receive a monthly *Livestock SA News*. There is a regular monthly column in the *Stock Journal* plus for the AGM a full-page promotion. Livestock SA also operates active Facebook and Twitter accounts with over a thousand followers.

Projects. Livestock SA continues to leverage funding for industry projects, including \$414,000 for an industry skills project to assist 44 students obtain a Diploma of Agribusiness Management; \$100,000 to develop and implement a working, in-plant radio frequency identification (RFID) hook tracking system at the Bordertown abattoir; \$70,000 for portable real time tests for detection of sheep lice; \$60,000 to improve the financial literacy of farm operators and work with key groups to deliver a course targeted at improving the financial literacy and management skills of livestock producers; and \$12,100 to support 31 South Australian students to attend the National Merino Challenge.

Field Day presence. Following on from the YP Field Days in 2015, Livestock SA had a joint site with Grain Producers SA at the EP Field Days in August.

Interaction with PPSA. Livestock SA continues to attend various meetings and functions and to have input as a member of Primary Producers SA (PPSA). During 2016-17 this included PPSA's AGM, PPSA Council meetings, PPSA NRM Committee meetings plus a NRM Forum, and quarterly meetings between PPSA and PIRSA.

National advocacy. Livestock SA continues to work closely with the national peak livestock bodies through the Livestock SA representatives. WoolProducers Australia, Sheepmeat Council of Australia, Cattle Council of Australia and Goat Industry Council of Australia have all held national meeting in South Australia during the reporting period, the latter three to coordinate with the MLA AGM held in November at Hahndorf. There are also regular teleconferences to provide updates on issues discussed at national meetings and on specific issues.

Policy and other issues

Livestock SA is continuing to make submissions and provide feedback on behalf of members on a range of livestock-related issues and other issues of importance for members. In 2016-17, this has included:

Biosecurity. Livestock SA has continued to work closely with Biosecurity SA on developing One Biosecurity. This is being highlighted by the need for on-farm biosecurity plans to show the management of BJD, and now for LPA.

Feral goat management. Livestock SA helped to convene a statewide feral goat management forum at Port Augusta on December 13, in conjunction with the SA Arid Lands Natural Resources Management Board. The forum was driven by industry calls to loosen restrictions on feral goat management to allow producers to take advantage of high goat meat prices. The harvest of feral goats through management can add value to pastoralists' incomes, has a positive effect on the flora and fauna and creates jobs and growth, enhancing the state's economy, as well as being an effective control measure of this feral pest. Livestock SA is now pushing for this change.

Fracking. In the South East, fracking continues to be an ongoing concern for producers. Livestock SA's policy remains the same and we continue to advocate for producers on this issue, as we do not believe that mining should occur in the same area as where a highly productive livestock industry is centred. Livestock SA is pleased with the outcome of the Parliamentary Inquiry into Unconventional Gas which has addressed our concerns about the risks to livestock production in the South East. Livestock SA board member Jack England, together with many Livestock SA members, particularly David Smith, are thanked for their input into this inquiry.

Livestock theft. Livestock theft continues to be an ongoing concern to SA livestock producers, with more than 50% of respondents to a Livestock SA survey stating they had problems with on-farm theft in the past five years. Nearly 70% of the 130 producers who responded to the survey called for a dedicated stock squad and more training for police officers. Only 18% believed that current methods were "sufficient". Of the thefts, 48% had livestock or wool bales stolen, with some reporting they had lost up to \$200,000 worth of livestock. Receipt of the survey results coincided with a presentation by SA Police to the Livestock SA Board on Operation Poach. Livestock SA will continue to work with SAPOL to further develop their program.

Mining Act review. A series of producer consultation meetings were held across SA in conjunction with Grain Producers SA, in response to the review of the *Mining Act 1971*, currently being undertaken by the South Australian Government. Representatives from Livestock SA, GPSA and Department of State Development were present at the meetings, with about 200 producers and stakeholders attending.

November disease. We continue to be concerned about ongoing cattle deaths in the Upper North and Flinders Ranges. Livestock SA called for further funding to investigate and resolve this problem, and this has now been granted for further research into November Disease. Researchers from PIRSA continue to work with Livestock SA and local livestock producers to investigate this issue.

Q Fever. Livestock SA continues to push for a national Q Fever management program for all individuals over 15 years of age living in a rural area. Q Fever infection levels have more than doubled in the past year and Livestock SA believes it is critical to ensure those living and working in rural areas are protected.

Reducing red tape. Livestock SA met with the SA Government's Simpler Regulation Unit in response to their request for input on removing outdated legislation. While Livestock SA is pleased with the intent of the regulations dealing with land use, environmental regulations, and transport, it called for more to be done in relation to the management of native vegetation. It also asked for the State's *Pastoral Land Management and Conservation Act 1989* to be urgently reviewed. Feedback was also provided to the Productivity Commission Draft Report on Regulation of Australian Agriculture.

RFID. Livestock SA expressed concern at the Victorian Government mandating the use of electronic tags for sheep and goats. This could impact on the South East of South Australia and Western Victoria saleyards. In this State, there are good programs in place, such as abattoir surveillance, and it would be a retrograde step to move away from what currently works well. While the use of RFID tags can lead to productivity gains, Livestock SA believes it should not be mandatory.

SA Beef Industry Blueprint. Following on from the success with the Sheep Blueprint, plans are now well underway to implement a SA Beef Cattle Blueprint. Forums have been held at Naracoorte and Mungerannie to gauge industry interest and commitment. Based on the success of these, a call has been made for members of a working group while the State Government has committed funding.

Stock on road signs. Following requests from members, Livestock SA has produced new stock on road signs available for purchase by members.

Transport issues. Livestock SA has continued to be part of the PPSA/PIRSA/DPTI transport project in addition to pushing for improvements in road transport in the pastoral region. Livestock SA participated in the First Ministers Forum between South Australia and Northern Territory. Livestock SA was able to push for Yorkeys Crossing to be upgraded with a pod established and road train triples to be allowed to Dublin, and has since welcomed the State Government's announcement to provide funding towards this.

Visas for backpackers. Livestock SA made a submission to the review of working holiday visas. Backpackers should pay tax but we considered 32.5% was too high, and Livestock SA supported NFF's proposal of a tax rate of 19%. Livestock SA also wants the current changes that the Federal Government has made to working holiday visas in northern Australia extended to the pastoral zone of SA, so backpackers can be employed for up to 12 months by a single employer. The current rules, that restrict a backpacker to only six months with one employer mean the SA sector is at a disadvantage in comparison to pastoralists in the Northern Territory.

Water security. Livestock SA welcomed the State Government's decision to provide funding for a feasibility study for the Coorong Water Transportation Project. Water security continues to be a key priority and we are keen to see a better deal for livestock producers that have no other option than to use mains water. Livestock SA also made comments to the review of the Eyre Peninsula Water Demand and Supply Statement and the need to recognise the needs of livestock.

Wild dogs. Livestock SA called on the State Government to reinstate funding for a wild dog trapper in northern SA with over 500 dogs trapped or shot south of the fence so far in 2017. Funding for the State's only dog trapper ran out in April when a Federal Government drought support program ended, which has meant SA currently has no wild dog trapper. Livestock SA believes \$300,000 would mean wild dog control could be undertaken at a level that would protect the agricultural industry, reduce the threat facing peri-urban areas and importantly wild life. Fortunately, the Commonwealth has now provided further funding.

WoolTAG. This committee comprising members from all sections of the wool industry has continued to have oversight of training for wool harvesting. There is currently strong demand for shearer training and Livestock SA has been able to assist in getting further AWI funding so that more courses could be run. Wendy Jones, the long serving secretary for WoolTAG retired earlier this year. Livestock SA acknowledges Wendy for her tireless efforts and the diligence she demonstrated over many years promoting best practice in shearing, wool classing and shedhand training.

Working dogs. Livestock SA has continued to work with the State Government on the regulations for the new Dog and Cat Management Act. Under the new regulations, there has been a simplification of the registration categories from a minimum of eight to only two – a 'standard dog' (that has been both microchipped and desexed including applicable exemptions) and a 'non-standard dog'. With this change in registration categories, Livestock SA's concerns about losing the registration concessions for working livestock dogs has now been realised and this has meant lobbying those councils who removed the concession. As working dogs are an integral part of livestock producing businesses in SA, Livestock SA had wanted to keep the regulations to mandate a concession for working livestock dogs.

Geoff Power
President
Livestock SA
11 August 2017

Livestock SA Incorporated

ABN 12 332 656 991

Independent Auditor's Report to the Members

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 2017.

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 2017, 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 :



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 2017

Your Board of Management submits the financial accounts of the Livestock SA Incorporated for the financial year ended 30 June 2017.

Board Members

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

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

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 deficit from ordinary activities after providing for income tax amounted to

Year ended	Year ended
30 June 2017	30 June 2016
\$	\$
(281,153.97)	48,438.24

Livestock SA Incorporated

ABN 12 332 656 991

Committee's Report For the year ended 30 June 2017

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

Geoff Power

Joe Keynes

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 2017

	2017	2016
	\$	\$
Income		
Sheep Industry Blueprint	4,736.93	182,000.00
Sundry Project Grant Funding	9,565.39	317,999.92
Levies - SA Cattle Industry Fund	198,288.00	198,288.00
Levies - SA Sheep Industry Fund	363,712.00	352,512.00
Industry Skills Fund	207,000.00	-
Rent Received	-	2,120.00
Sponsorship - Wootag	-	772.73
Reimbursements	-	896.00
Admin Income Received	19,952.08	6,304.75
Interest Received	-	2,564.40
Total income	803,254.40	1,063,457.80

Expenses

Accountancy	2,084.46	1,160.00
Administration Staff Costs	29,237.02	24,033.72
Audit Fees	1,950.00	1,950.00
Bank Charges	73.11	70.93
Board Meetings - Sitting Fees	10,580.00	6,540.00
Chair Allowance	20,000.00	20,000.00
Cleaning	1,134.55	1,122.87
Consultancy Fees	4,762.49	10,437.33
Depreciation	2,269.00	69.00
Electricity	1,228.86	1,385.08
Fees - Cattle Council	22,727.28	22,727.28
Fees - Goat Industry	3,194.56	3,194.56
Fees - PPSA Membership	24,000.00	12,000.00
Fees - SEALEA	227.27	227.27
Fees - Sheepmeat Council	15,392.72	15,196.36
Fees - Wool Producers	27,144.60	27,144.90
Function Expenses	4,963.98	2,028.18
IR Support	15,840.00	14,400.00
Insurance	6,269.59	6,324.68
Internet, Software & Technical Support	3,169.38	2,845.03
Lease - Office Equipment	1,200.00	1,200.00
Legal Fees	-	146.00
Media Communications	73,595.91	50,675.93
Office Supplies	722.56	812.48

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 2017

	2017	2016
	\$	\$
Parking	162.62	610.10
Photocopier Charges	5,423.34	4,880.43
Postage	10,295.72	7,358.60
Project - Drought	20,807.39	298,281.59
Project - Sheep Industry Blueprint	104,136.09	218,349.85
Projects - Sundry	376,088.01	50,122.39
Printing & Stationery	5,101.04	8,305.87
Producer Forum Expenses	24,258.83	16,040.33
Provision for Annual Leave	(3,700.71)	3,700.71
Rent	20,007.27	20,007.27
Sponsorships & Exhibitions	183.96	5,029.55
Superannuation	16,836.88	9,980.46
Telephone	2,421.82	2,258.08
Travel & Accommodation	38,846.08	33,603.73
Wages & Salaries	177,590.84	106,147.73
Website Expenses	12,886.25	4,272.73
WorkCover	1,295.60	378.54
Total expenses	1,084,408.37	1,015,019.56
Profit (loss) from ordinary activities before income tax	(281,153.97)	48,438.24
Income tax revenue relating to ordinary activities	-	-
Net profit (loss) attributable to the association	(281,153.97)	48,438.24
Total changes in equity of the association	(281,153.97)	48,438.24
Opening retained profits	627,680.45	579,242.21
Net profit (loss) attributable to the association	(281,153.97)	48,438.24
Closing retained profits	346,526.48	627,680.45

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 2017

	2017	2016
	\$	\$
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Current Assets		
Cash Assets		
Business Cheque Account	250,876.17	246,177.30
Online Saver Account	325,020.88	223,670.93
Projects Account	125,177.05	194,310.79
Petty Cash on Hand	209.45	127.30
	<hr/>	<hr/>
	701,283.55	664,286.32
	<hr/>	<hr/>
Receivables		
Trade Debtors	107,980.00	2,200.00
Debtor - Workcover	174.20	526.15
	<hr/>	<hr/>
	108,154.20	2,726.15
	<hr/>	<hr/>
Total Current Assets	809,437.75	667,012.47
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Non-Current Assets		
Property, Plant and Equipment		
Office Equipment	4,606.36	4,606.36
Less: Accumulated Depreciation	(2,338.00)	(69.00)
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	2,268.36	4,537.36
	<hr/>	<hr/>
Total Non-Current Assets	2,268.36	4,537.36
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Total Assets	811,706.11	671,549.83
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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 2017

	2017	2016
	\$	\$
Current Liabilities		
Payables		
Unsecured:		
Creditor - Sponsorship	6,600.00	-
Trade Creditors	22,725.28	6,403.74
	<u>29,325.28</u>	<u>6,403.74</u>
Financial Liabilities		
Secured:		
Consolidated Credit Cards	979.67	-
	<u>979.67</u>	<u>-</u>
Current Tax Liabilities		
GST Control Account	51,223.49	30,717.93
PAYG Outstanding	2,771.00	3,047.00
	<u>53,994.49</u>	<u>33,764.93</u>
Other		
Provision for Annual Leave	-	3,700.71
	<u>-</u>	<u>3,700.71</u>
Total Current Liabilities	<u>84,299.44</u>	<u>43,869.38</u>
Non-Current Liabilities		
Financial Liabilities		
Secured:		
Unexpended Project Income	507,757.19	-
	<u>507,757.19</u>	<u>-</u>
Total Non-Current Liabilities	<u>507,757.19</u>	<u>-</u>
Total Liabilities	<u>592,056.63</u>	<u>43,869.38</u>
Net Assets	<u>219,649.48</u>	<u>627,680.45</u>

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 2017

	2017	2016
	\$	\$
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Members' Funds		
Accumulated surplus (deficit)	346,526.48	627,680.45
Other		
Extraordinary Item	(126,877.00)	-
Total Members' Funds	<u>219,649.48</u>	<u>627,680.45</u>

The accompanying notes form part of these financial statements.

Livestock SA Incorporated

ABN 12 332 656 991

Statement by Members of the Committee For the year ended 30 June 2017

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 2017 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:

Geoff Power
President

Joe Keynes
Treasurer

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 2017

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.

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 2017

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 in to 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

Notes to the Financial Statements

For the year ended 30 June 2017

Note 2: Extraordinary Item

An Extraordinary Loss of \$ 126,877 was made due to adjusting the 2017 financial accounts for project funding received in financial year end 2016 that was incorrectly coded as income when it was in fact a liability due to unextinguished responsibilities in respect of certain projects.

The corresponding credit is reported in the non-current liability account "Unexpended Project Income".

2016 - 17 Board Members



Geoff Power
President



Joe Keynes
Vice President



Andrew Withers
Treasurer



Andrew Clarke



Jack England



Richard Halliday



Bill Nosworthy



Penny Schulz



Allan Piggott



Jamie Heinrich

