

Rural Industry Adjustment and Development Fund

Financial report
for the year ended
30 June 2018



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To the Chief Executive Rural Industry Adjustment and Development Fund

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 14 of the *Rural Industry Adjustment and Development Act 1985*, I have audited the financial report of the Rural Industry Adjustment and Development Fund for the financial year ended 30 June 2018.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Rural Industry Adjustment and Development Fund as at 30 June 2018, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chief Executive and the Chief Financial Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Report' section of my report. I am independent of the Rural Industry Adjustment and Development Fund. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Conduct for Professional Accountants have been met.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Chief Executive for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'Andrew Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

27 September 2018

Rural Industry Adjustment and Development Fund
Certification of Financial Statements
for the year ended 30 June 2018

We certify that the attached general purpose financial statements for the Rural Industry Adjustment and Development Fund:

- comply with any relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and any relevant Australian Accounting Standards
- are in accordance with the accounts and records of the Rural Industry Adjustment and Development Fund
- present a true and fair view of the financial position of the Rural Industry Adjustment and Development Fund as at 30 June 2018 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Rural Industry Adjustment and Development Fund for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Scott Ashby
Chief Executive
Department of Primary Industries and Regions
26 September 2018



Jane Burton
Chief Financial Officer
Department of Primary Industries and Regions
26th September 2018

Rural Industry Adjustment and Development Fund

Financial Statements

For the year ended 30 June 2018

Rural Industry Adjustment and Development Fund
Statement of Comprehensive Income
for the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Expenses			
Auditor's remuneration		3	3
Total expenses		<u>3</u>	<u>3</u>
Income			
Interest revenues		332	334
Total income		<u>332</u>	<u>334</u>
Net result		<u>329</u>	<u>331</u>
Total comprehensive result		<u>329</u>	<u>331</u>

The net result and total comprehensive result are attributable to the SA Government as owner.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Rural Industry Adjustment and Development Fund
Statement of Financial Position
as at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Current assets			
Cash and cash equivalents		24 786	24 458
Receivables	3	28	27
Total current assets		<u>24 814</u>	<u>24 485</u>
Total assets		<u>24 814</u>	<u>24 485</u>
Current liabilities			
Payables	4	3	3
Total current liabilities		<u>3</u>	<u>3</u>
Total liabilities		<u>3</u>	<u>3</u>
Net assets		<u>24 811</u>	<u>24 482</u>
Equity			
Retained earnings		24 811	24 482
Total equity		<u>24 811</u>	<u>24 482</u>

Total equity is attributable to the SA Government as owner.

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Rural Industry Adjustment and Development Fund
Statement of Changes in Equity
for the year ended 30 June 2018

	Retained earnings	Total equity
	\$'000	\$'000
Balance at 30 June 2016	24 151	24 151
Net result for 2016-17	331	331
Total comprehensive result for 2016-17	331	331
Balance at 30 June 2017	24 482	24 482
Net result for 2017-18	329	329
Total comprehensive result for 2017-18	329	329
Balance at 30 June 2018	24 811	24 811

All changes in equity are attributable to the SA Government as owner.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Rural Industry Adjustment and Development Fund
Statement of Cash Flows
for the year ended 30 June 2018

	2018 (Outflows) Inflows \$'000	2017 (Outflows) Inflows \$'000
Cash flows from operating activities		
Cash outflows		
Auditor's remuneration	(3)	(3)
Cash used in operations	<u>(3)</u>	<u>(3)</u>
Cash inflows		
Interest received	331	338
Cash generated from operations	<u>331</u>	<u>338</u>
Net cash provided by / (used in) operating activities	<u>328</u>	<u>335</u>
Net increase / (decrease) in cash and cash equivalents	<u>328</u>	<u>335</u>
Cash and cash equivalents at the beginning of the reporting period	24 458	24 123
Cash and cash equivalents at the end of the reporting period	<u><u>24 786</u></u>	<u><u>24 458</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Rural Industry Adjustment and Development Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2018

1 Basis of financial statements

1.1 Reporting entity

The Rural Industry Adjustment and Development Fund (Fund) is established pursuant to the *Rural Industry Adjustment and Development Act 1985*, administered by the Department of Primary Industries and Regions (PIRSA).

1.2 Statement of compliance

The financial statements of the Fund have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987* (PFAA).

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Fund has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Fund is a not-for-profit entity. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Department for the period ending 30 June 2018.

1.3 Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported
- compliance with Accounting Policy Statements issued pursuant to section 41 of the Public Finance and Audit Act 1987

The financial statements have been prepared based on a 12 month operating cycle and are presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Rural Industry Adjustment and Development Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2018

1 Basis of financial statements (continued)

1.4 Taxation

The Fund is not subject to Income Tax. The Fund is liable for Goods and Services Tax (GST). GST collections and payments are carried out by the PIRSA on behalf of the Fund. GST in relation to the Fund is reported in the PIRSA Controlled Financial Statements.

1.5 Cash

Cash in the Statement of Financial Position comprises deposits at call with the Department of Treasury and Finance (DTF).

Cash is measured at nominal value.

2 Objectives of the Fund

The Fund was established under the *Rural Industry Adjustment and Development Act 1985*.

The primary purpose of the Fund is to provide loans and grants, at Ministerial discretion, to develop a farm, make adjustments to farming methods or to undertake a project or research for the benefit of farmers.

3 Receivables

	2018	2017
	\$'000	\$'000
Accrued interest - Department of Treasury and Finance	28	27
Total receivables	28	27

Interest revenues are recognised as they accrue.

4 Payables

	2018	2017
	\$'000	\$'000
Audit fee payable to the Auditor-General's Department	3	3
Total payables	3	3

Goods and services provided and unpaid at the end of the reporting period are recognised as other payables.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Rural Industry Adjustment and Development Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2018

5 Related party transactions

The Rural Industry Adjustment and Development Fund is established pursuant to the *Rural Industry Adjustment and Development Act 1985*, administered by PIRSA and is a wholly owned and controlled entity of the Crown.

Key management personnel

Key management personnel of the Fund includes the Minister who has responsibility for the strategic direction and management of the Fund.

The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

6 Financial risk management / financial instruments

The Fund has cash and other non-interest bearing assets (receivables) and liabilities (payables). The Fund's exposure to market risk and cash flow interest risk is minimal.

The Fund has minimal concentration of credit risk. The Fund has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Fund does not engage in high risk hedging for its financial assets.

In relation to liquidity/funding risk, the continued existence of the Fund in its present form, and with its present programs, is dependent on State Government policy.

7 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2018 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2018.

Note disclosure is made about events between 30 June 2018 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2018 and which may have a material impact on the results of subsequent years.

No events have occurred after balance date that would affect the financial statements of the Fund as at 30 June 2018.