



2 August 2016

Mr B Hall
Chairperson
Tasmanian Beef Industry (Research and Development) Trust
PO Box 881
Launceston TAS 7250

Dear Mr B Hall

Tasmanian Beef Industry (Research and Development) Trust – Final Management Letter - Audit of Financial Statements for the Year Ended 30 June 2016.

The audit of the financial statements for the Tasmanian Beef Industry (Research and Development) Trust (the Trust) has been completed. I have issued my audit report on the financial statements, a copy of which is enclosed.

The audit was completed with no issues outstanding.

You will appreciate that my normal audit procedures are designed primarily to enable me to form an opinion on the financial statements as a whole and therefore do not necessarily bring to light at each audit all the weaknesses in internal control or accounting practice which a special investigation might do.

I have prepared this letter solely for the use of the Trust. As you know, this report forms part of a continuing dialogue between the Chairperson and the Auditor-General and, therefore, it is not intended to include every matter, whether large or small, that has come to my attention. For this reason I believe that it would be inappropriate for this letter to be made available to third parties and, if such a third party were to obtain a copy without my prior written consent, I would not accept any responsibility for any reliance that they might place on it.

Auditor-General's Report

Where the Auditor-General's Report to Parliament impacts the Trust, relevant commentary will be forwarded to you for formal comment.

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Appreciation is expressed for the assistance and co-operation provided to my staff during the course of the audit.

Please note that a copy of this letter together with the audit will be provided to the Minister for Primary Industries and Water, The Hon. J P Rockliff MP, in accordance with section 19(2) of the *Audit Act 2008*.

If you have any queries regarding the audit or any other matters, please contact Simone Lee on 6173 0971.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Lee', with a stylized flourish at the end.

S Lee
Group Leader, Financial Audit



Tasmanian Audit Office

Independent Auditor's Report

To Members of the Tasmanian Parliament

Tasmanian Beef Industry (Research and Development) Trust

Financial Report for the Year Ended 30 June 2016

Report on the Financial Report

I have audited the accompanying financial report of Tasmanian Beef Industry (Research and Development) Trust (the Trust), which comprises the statement of financial position as at 30 June 2016 and the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the members of the Trust.

Auditor's Opinion

In my opinion the Trust's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2016, and its financial performance, cash flows and changes in equity for the year then ended
- (b) Is in accordance with the *Tasmanian Beef Industry (Research and Development) Trust Act 1990* and applicable Australian Accounting Standards.

The Responsibility of the Members for the Financial Report

The members are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Section 11 of *Tasmanian Beef Industry (Research and Development) Trust Act 1990*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of 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 my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the members' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements.

The *Audit Act 2008* promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Tasmanian Audit Office



Simone Lee
Group Leader Financial Audit
Delegate of the Auditor-General

Launceston
2 August 2016

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TASMANIAN BEEF INDUSTRY (RESEARCH AND DEVELOPMENT) TRUST
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	<u>Note</u>	2016 \$	2015 \$
CURRENT ASSETS			
Cash and Cash Equivalents	2	4	95
Other Financial Assets	3	623,849	606,688
		<u>623,853</u>	<u>606,783</u>
NON-CURRENT ASSETS			
Plant & Equipment	4	0	0
		<u>0</u>	<u>0</u>
Total Assets		623,853	606,783
CURRENT LIABILITIES			
Accounts Payable	5	1,111	2,900
		<u>1,111</u>	<u>2,900</u>
Total Liabilities		1,111	2,900
Net Assets		<u>622,742</u>	<u>603,883</u>
MEMBERS FUNDS			
Capital Contributed		295,863	295,863
Retained Funds		326,879	308,020
		<u>622,742</u>	<u>603,883</u>
Total Members Funds		<u>622,742</u>	<u>603,883</u>

The accompanying notes form part of these financial statements.

TASMANIAN BEEF INDUSTRY (RESEARCH AND DEVELOPMENT) TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
INCOME		
Interest - Tasmanian Perpetual Trustees - Fixed Term Fund	11,691	12,493
- Tasmanian Perpetual Trustees - Long Term Fund	8,933	8,707
- Commonwealth Bank Cheque Account	0	1
	20,624	21,201
EXPENDITURE		
Advertising	502	0
Audit	1,111	1,100
Bank Charges	90	91
Catering	62	0
Postage and Stationery	0	120
Project Funding & Sponsorships	0	12,097
	1,765	13,408
Total income	20,624	21,201
Total expenditure	1,765	13,408
Comprehensive Result	18,859	7,793

The accompanying notes form part of these financial statements.

TASMANIAN BEEF INDUSTRY (RESEARCH AND DEVELOPMENT) TRUST
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

2016	Contributed Equity \$	Retained Earnings \$	Total 2016 \$
Balance as at the beginning of the year	295,863	308,020	603,883
Comprehensive Result		18,859	18,859
Balance as at the end of the year	<u>295,863</u>	<u>326,879</u>	<u>622,742</u>
2015	Contributed Equity \$	Retained Earnings \$	Total 2015 \$
Balance as at the beginning of the year	295,863	300,227	596,090
Comprehensive Result		7,793	7,793
Balance as at the end of the year	<u>295,863</u>	<u>308,020</u>	<u>603,883</u>

The accompanying notes form part of these financial statements.

TASMANIAN BEEF INDUSTRY (RESEARCH AND DEVELOPMENT) TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	<u>Note</u>	Inflows (Outflows) 2016 \$	Inflows (Outflows) 2015 \$
Cash Flows From Operating Activities			
Payments to suppliers		(1,754)	(1,523)
Payment of Scholarships/Projects		(1,800)	(10,297)
Interest received		20,624	21,201
Net cash provided by/(used in) operating activities	8(b)	17,070	9,381
Cash Flows From Investing Activities			
Payment for property plant & equipment		0	0
Net cash provided by/(used in) investing activities		0	0
Cash Flows From Financing Activities			
Payments from investments		(17,161)	(9,825)
Cash transferred from investments		0	0
Net cash provided by/(used in) financing activities		(17,161)	(9,825)
Net increase in cash held		(91)	(444)
Cash at Beginning of the Year		95	539
Cash at End of Year	8(a)	4	95

The accompanying notes form part of these financial statements.

TASMANIAN BEEF INDUSTRY (RESEARCH AND DEVELOPMENT) TRUST
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs.

(b) Statement of Compliance

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board and the *Tasmanian Beef Industry (Research and Development) Trust Act 1990*.

Compliance with the AAS may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Trust is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

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

The accounting policies set out below have been consistently applied to all years presented.

(c) Depreciation

Depreciation is calculated on the straight line method so as to write off the net cost of fixed assets over their expected useful lives

(d) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and other highly liquid investments with original maturities of three months or less.

(e) Receivables

Receivables are recorded at amounts due.

(f) Other Financial Assets

The Trust has classified its other financial assets as *Financial Assets at Fair Value through Profit or Loss*. These financial assets are stated at fair value, with any resultant gain or loss recognised in profit or loss.

(g) Plant and equipment

Plant and equipment is recorded at cost.

(h) Accounts Payable

Accounts payable are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services.

(i) Comparative Figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented for the current financial year.

(j) Income Tax

The Trust has not adopted the principles of tax effect accounting as it is exempt from income tax under the Australian Income Tax Assessment Act.

TASMANIAN BEEF INDUSTRY (RESEARCH AND DEVELOPMENT) TRUST
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
2 Cash and Cash Equivalents		
Commonwealth Bank Cheque Account	4	95
3 Other Financial Assets		
Investments	623,849	606,688
Investments are long-term and fixed term funds held with Tasmanian Perpetual Trustees.		
4 Plant and Equipment		
Furniture and Equipment (at cost)	5,314	5,314
Less Provision for Depreciation	5,314	5,314
	0	0
5 Accounts Payable		
Creditors	1,111	2,900
6 Members Liability		
The Tasmanian Beef Industry (Research and Development) Trust was formed under the <i>Tasmanian Beef Industry (Research and Development) Trust Act 1990</i> .		
A member of the Trust shall not incur any personal liability in respect of any act done or omitted to be done by the member in good faith in the exercise, or purported exercise, of any power under or in the administration or execution, or purported administration or execution of the <i>Tasmanian Beef Industry (Research and Development) Trust Act 1990</i> .		
No remuneration was paid to Members.		
7 Auditor's Remuneration		
Auditing the accounts	1,111	1,100

TASMANIAN BEEF INDUSTRY (RESEARCH AND DEVELOPMENT) TRUST
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
8 Notes To The Statement Of Cash Flows		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash	4	95
	4	95
(b) Reconciliation of operating surplus/deficit to net cash flows from operating activities		
Operating Surplus/(deficit)	18,859	7,793
Depreciation of non-current assets	0	0
Increase/(decrease) in accounts payable	(1,789)	1,588
Net cash from operating activities	17,070	9,381

TASMANIAN BEEF INDUSTRY (RESEARCH AND DEVELOPMENT) TRUST
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2016

9 Financial Instruments

- (a) The trust does not consider that any of the financial assets or liabilities have any significant terms or conditions which would require disclosure, other than the items noted below:
- (b) **Credit Risk** - the risk to the Trust if a customer or counter-party fails to meet its contractual obligations.
The carrying amount of financial assets represents the Board's maximum exposure to credit risk in relation to those assets.
- (c) **Liquidity Risk** - the risk the Trust will not be able to meet its financial obligations as they fall due.
The Trust has sufficient cash balances to meet its present financial obligations relating to accounts payable, which are payable in the 2016-17 financial period.
- (d) **Market Risk** - that the fair value of future cash flows will fluctuate because of changes in market prices.

The primary risk relates to an exposure to interest rate risk.

The following table details the exposure to interest rate risk as at 30th June 2016

	Average Interest rate %	Variable Interest rate \$	Fixed Interest Rate			Non-Interest Bearing \$	Total \$
			Less than 1 year \$	1 to 5 years \$	More than 5 years \$		
Financial Assets							
Cash		4					4
Investments	3.33%	623,849					623,849
Total 2016		623,853	0	0	0	0	623,853
Financial Liabilities							
Accounts Payable		0				1,111	1,111
Total 2016		0	0	0	0	1,111	1,111
Financial Assets							
Cash	0.39%	95					95
Investments	3.52%	606,688					606,688
Total 2015		606,783	0	0	0	0	606,783
Financial Liabilities							
Accounts Payable		0				2,900	2,900
Total 2015		0	0	0	0	2,900	2,900

- (e) **Net Fair Value** - The carrying amount of financial assets and liabilities approximate net fair value.

10 Subsequent Events

There were no events occurring after the reporting date that would materially effect any of the amounts or disclosures in these accounts.

**TASMANIAN BEEF INDUSTRY (RESEARCH AND DEVELOPMENT) TRUST
STATEMENT BY MEMBERS**

The members of the trust declare that:

- (a) The financial statements and notes set out on pages 1 to 8 present fairly the Trust's financial position at 30 June 2016 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements;
- (b) In the members' 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; and
- (c) The financial statements have been prepared in accordance with the requirements of the *Tasmanian Beef Industry (Research and Development) Act 1990*.

This declaration is made in accordance with a resolution of the Members of the Trust.



Dated 31/07/2016
Launceston, Tasmania

