

FARRER MEMORIAL TRUST

ANNUAL REPORT
2003

FARRER MEMORIAL RESEARCH SCHOLARSHIP FUND

THE 2003 FARRER MEMORIAL ORATION





FARRER MEMORIAL RESEARCH SCHOLARSHIP FUND

The Farrer Memorial Trust was established in 1911 to perpetuate the memory of William James Farrer and to encourage and inspire agricultural scientists. Initially it awarded scholarships for 'study or research in agricultural problems'. Later it included the delivery of an annual oration and the presentation of the Farrer Memorial Medal to a distinguished agricultural scientist for service rendered in the fields of research, education or administration.

The Director-General of NSW Agriculture, Dr R F Sheldrake, is the Chairman of the Trust. The other official Trustees are: Dr M L Curll, Deputy Director-General of the Department; Prof. L Copeland, Professor and Dean of the Faculty of Agriculture, University of Sydney; and Dr J C Radcliffe, CSIRO, Unley Park, South Australia. The non-official Trustees, representing industry, are: Mr M J R Arnott, Boorowa; Mr D R Macintyre, Muswellbrook; and Ms R Clubb, Duffys Forest.

The 2003 Farrer Memorial Travelling Scholarships were awarded to:

- Mr A Simmons, Postgraduate Research Scientist, Faculty of Rural Management, University of Sydney
- Ms N Aksouh, Department of Crop Sciences, School of Land, Water & Crop Science, University of Sydney
- Mr Mohammed Hassani, Plant Breeding Institute, University of Sydney
- Mr Richard Rawnsley, School of Agricultural Science, University of Tasmania.

The Farrer Memorial Travelling Scholarship is designed to support overseas travel by post-graduates enrolled for a PhD on any aspect of field crop research.

The 2003 Farrer Memorial Medal was awarded to Dr Laurie Lewin, Director of the Co-operative Research Centre for Sustainable Rice Production at the Yanco Agricultural Institute. The presentation was made at a special ceremony at Leeton held on 4 August 2003, and Dr Lewin delivered the Farrer Oration entitled 'Rice in Australia – An Example of Cooperative Effort'.

A summary of the text of the 2003 Farrer Memorial Oration is reproduced on page 9 of this report.



GPO BOX 12
SYDNEY NSW 2001

INDEPENDENT AUDIT REPORT

TRUSTEES OF THE FARRER MEMORIAL RESEARCH SCHOLARSHIP FUND

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Trustees of the Farrer Memorial Research Scholarship Fund:

- (a) presents fairly the Fund's financial position as at 31 December 2003 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

My opinion should be read in conjunction with the rest of this report.

The Trustees' Role

The financial report is the responsibility of the Trustees of the Farrer Memorial Research Scholarship Fund. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Trustees in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Trustees had not fulfilled their reporting obligations.

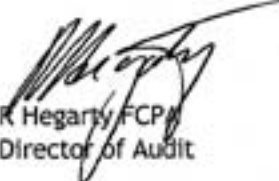
My opinion does *not* provide assurance:

- about the future viability of the Fund,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



R Hegarty FCPA
Director of Audit

SYDNEY
19 April 2004

**TRUSTEES OF THE
FARRER MEMORIAL RESEARCH SCHOLARSHIP FUND**

**STATEMENT IN ACCORDANCE WITH SECTION 41C(1B) OF
PUBLIC FINANCE AND AUDIT ACT 1983**

Pursuant to Regulation 14 of the Public Finance and Audit Regulation 2000, we state that:

- (a) the financial statements and notes thereon exhibit a true and fair view of the financial position and transactions for the year ended 31 December 2003;
- (b) the financial statements have been prepared in accordance with the provisions of the Act, the Regulation and the Treasurer's Directions;
- (c) there are no circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.



**R.F. SHELDRAKE
Chairman
FARRER MEMORIAL TRUST**



**M.L. CURLL
Trustee**

SYDNEY

13 FEBRUARY 2004

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2003

	Note	2003 \$	2002 \$
CURRENT ASSETS			
Cash Assets		21,052	165,872
Other Financial Assets	2.1	74,746	124,000
Receivables		478	1,775
Inventories	2.2	590	738
Shares (At Cost)	2.3	45,572	-
Securities (At Cost)	2.3	151,154	-
TOTAL CURRENT ASSETS		293,592	292,385
TOTAL ASSETS		293,592	292,385
CURRENT LIABILITIES			
Accrued Expenditure		2,000	-
TOTAL CURRENT LIABILITIES		2,000	-
TOTAL LIABILITIES		2,000	-
NET ASSETS		291,592	292,385
EQUITY			
Accumulated Funds		291,592	292,385
TOTAL EQUITY		291,592	292,385

STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED 31 DECEMBER 2003

	Note	2003 \$	2002 \$
INCOME FROM ORDINARY ACTIVITIES			
Interest from Investments		9,867	9,372
Interest from Cash at Bank		334	707
Dividends		1,655	-
Other Income	1(c)	7,165	6,823
TOTAL INCOME		19,021	16,902
EXPENDITURE FROM ORDINARY ACTIVITIES			
Cost of Scholarship		9,600	12,000
Oration Expenses		852	2,049
Bank Charges		33	52
Brokerage		2,164	-
Administration Costs	1(c)	7,165	6,823
TOTAL EXPENDITURE		19,814	20,924
Operating (Deficit) for the Year from Ordinary Activities		(793)	(4,022)
Total Revenues, Expenses & Valuation Adjustments Recognised Directly in Equity		-	-
Total Changes in Equity Other Than Those Resulting from Transactions with Owners as Owners		(793)	(4,022)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	2003 \$	2002 \$
Cash Flows from Operating Activities			
Interest from Investments & Bank Accounts		12,407	10,894
Scholarship Costs		(7,600)	(12,000)
Oration Expenses		(704)	(1,902)
Bank Charges		(33)	(52)
Brokerage		(2,164)	-
Net Cash Provided by/(Used in)			
Operating Activities	3.2	1,906	(3,060)
Cash Flow from Investing Activities			
Proceeds from Maturing Investments		210,000	152,000
Purchases of Investments		(356,726)	-
Net Cash Gained/(Used) in Investing Activities		(146,726)	152,000
Net Increase/(Decrease) in Cash Held		(144,820)	148,940
Cash at Beginning of Year		165,872	16,932
Cash at End of Year	3.1	21,052	165,872

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

1. SUMMARY OF ACCOUNTING POLICIES

- The accompanying financial report is a general purpose financial report and has been prepared on an accrual basis in accordance with historical cost principles, having regard to applicable Australian accounting standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Urgent Issues Group (UIG) Consensus Views.
- The financial report has been prepared in accordance with the requirements of the *Public Finance and Audit Act 1983 and Regulation*.
- All administration costs and audit fees (including salary and wages) are met directly from the Recurrent Appropriations of the Minister for Agriculture. Such costs are estimated to be \$7,165 inc. GST (\$6,823 in 2002) for the year and includes audit fees of \$3,245 inc. GST (\$3,091 in 2002).

2. ASSETS

2.1 OTHER FINANCIAL ASSETS

Investment in Term Deposits are valued at cost and are held to maturity. Investments currently held are Primary Industry Bank Bonds. They are not tradeable and not listed.

Investments in shares and income securities are also valued at cost and are quoted on the Stock Exchange and listed. Refer to note 2.3.

Investments	2003 \$	2002 \$
Primary Industry Bank Bonds (Matures within one year)	74,746	124,000
	74,746	124,000

2.2 INVENTORIES

Inventories consist of Farrer Memorial Medals. Medals are valued at cost.

2.3 CURRENT MARKET VALUE OF SHARES AND SECURITIES

The following summary shows the market values of all shareholdings as at 31 December 2003.

	Quantity	Date Purchased	Purchase Price	Per Share \$	Market Value 31.12.2003	Per Share \$
Holdings – Securities (At Cost)						
Deutsche Industrial Trust (DIT)	8,000	16 May	\$14,720	1.84	\$14,320	1.79
General Property Trust (GPT)	5,000	16 May	\$15,100	3.02	\$14,950	2.99
Macquarie Goodman Industries Trust (MGI)	9,700	16 May	\$14,938	1.54	\$16,393	1.69
Macquarie Goodman Macquarie Income Securities	270	20 May	\$26,671	98.78	\$27,594	102.20
National Australia Bank (Income Securities) (NABHA)	280	20 May	\$26,670	95.25	\$28,174	100.62
Suncorp Metway Limited (SUNHB)	310	20 May	\$26,038	83.99	\$29,109	93.90
Woolworths Limited (WOWHA)	260	20 May	\$27,017	103.91	\$27,170	104.50
Total			<u>\$151,154</u>		<u>\$157,710</u>	
Holdings – Shares (At Cost)						
Leighton Holdings (LEI)	1,600	15 May	\$14,976	9.36	\$18,896	11.81
National Australia Bank Limited (NAB)	500	15 May	\$15,840	31.68	\$14,975	29.95
Telstra Corp (TLS)	3,400	15 May	\$14,756	4.34	\$16,388	4.82
Total			<u>\$45,572</u>		<u>\$50,259</u>	
TOTAL			<u>\$196,726</u>		<u>\$207,969</u>	

3. NOTES TO STATEMENT OF CASH FLOWS

		2003	2002
		\$	\$
3.1	Cash Balance Represented by		
	Cash at Bank (St George Bank Account)	21,052	165,872
		21,052	165,872
3.2	Reconciliation of Operating Surplus to		
	Net Cash Provided by Operating Activities		
	Operating Surplus/(Deficit)	(793)	(4,022)
	(Increase)/Decrease in Accrued Interest	1,297	815
	Increase/Decrease in Accrued Expenses	2,000	-
	Decrease in Medal Stock	148	147
	Interest Income Rolled Over in Investment	(746)	-
	Net Cash Provided by Operating Activities	1,906	(3,060)

4. FINANCIAL INSTRUMENTS

Financial instruments give rise to situations that create a financial asset of the Trust and a financial liability (or equity instrument) of the other party, or vice versa. For the Trust, these financial instruments include cash at bank, investments such as fixed deposits and shares and accrued interest.

All financial instrument amounts are carried in the accounts at cost. All financial instruments, including revenues, expenses, or other cash flows arising from instruments, are recognised on an accruals basis.

Cash

Cash comprises cash at bank. The value of the cash as at 31 December 2003 was \$21,052 (\$165,872 in 2002). Following the review of the Trust's investments, Trustees agreed to invest some funds in shares and securities.

Investments

As at 31 December 2003, investments amounting to \$74,746 (\$124,000 in 2002) were held in Primary Industry Bank Bonds. The weighted effective interest rate as at 31 December 2003 was 3.99%. Other investments such as shares and securities are valued at cost in the accounts.

Accrued Interest

All accrued interest are recognised as amounts receivable at balance date. The value of receivables as at 31 December 2003 was \$478 (\$1,775 in 2002).

END OF AUDITED FINANCIAL STATEMENTS