



*FARRER  
MEMORIAL  
TRUST*

ANNUAL REPORT  
2004

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FARRER MEMORIAL RESEARCH SCHOLARSHIP FUND

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THE 2004 FARRER MEMORIAL ORATION

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# *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 the NSW Department of Primary Industries, Mr B D Buffier, is the Chairman of the Trust. The other official Trustees are: Dr R F Sheldrake, 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 2004 Farrer Memorial Travelling Scholarships were awarded to:

- Ms A Bentley, University of Sydney
- Mrs Lydia Turner, University of Tasmania
- Mrs Susan Lambert, 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 2004 Farrer Memorial Medal was awarded to Dr R J Clements AO, Executive Director, ATSE Crawford Fund. The presentation was made at a special ceremony at the University of Queensland on 31 October 2005, and Dr Clements delivered the Farrer Oration entitled 'Shaking Windows; Rattling Walls'.

The text of the 2004 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 Trust's financial position as at 31 December 2004 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 Trustees had not fulfilled their reporting obligations.

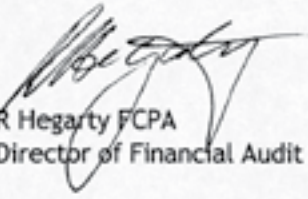
My opinion does *not* provide assurance:

- 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 Financial Audit Services

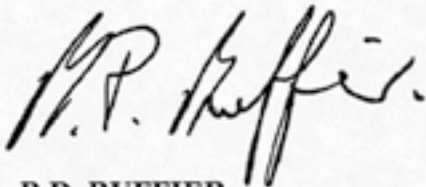
SYDNEY  
2 May 2005

**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 2004;
- (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.



**B.D. BUFFIER**  
Chairman  
**FARRER MEMORIAL TRUST**



**R.F. SHELDRAKE**  
Trustee

**SYDNEY**

**22 APRIL 2005**

**STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED  
31 DECEMBER 2004**

	Note	2004 \$	2003 \$
<b>INCOME FROM ORDINARY ACTIVITIES</b>			
Interest from Investments		16,903	9,867
Interest from Cash at Bank		79	334
Dividends		3,023	1,655
Other Income	1(c)	7,165	7,165
Profit from Sale of Securities		1,850	-
<b>TOTAL INCOME</b>		<b>29,020</b>	<b>19,021</b>
<b>EXPENDITURE FROM ORDINARY ACTIVITIES</b>			
Cost of Scholarship		9,000	9,600
Oration Expenses		-	852
Bank Charges		26	33
Brokerage		766	2,164
Administration Costs	1(c)	7,165	7,165
<b>TOTAL EXPENDITURE</b>		<b>16,957</b>	<b>19,814</b>
<b>Operating (Surplus) for the Year from Ordinary Activities</b>		<b>12,063</b>	<b>(793)</b>
<b>Total Revenues, Expenses &amp; Valuation Adjustments Recognised Directly in Equity</b>		<b>-</b>	<b>-</b>
<b>Total Changes in Equity Other Than Those Resulting from Transactions with Owners as Owners</b>		<b>12,063</b>	<b>(793)</b>

The accompanying notes form part of these statements.

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2004**

	Note	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash Assets		30,608	21,052
Other Financial Assets	2.1	36,000	74,746
Receivables		2,124	478
Inventories	2.2	590	590
Shares (At Cost)	2.3	45,572	45,572
Securities (At Cost)	2.3	188,761	151,154
<b>TOTAL CURRENT ASSETS</b>		<b>303,655</b>	<b>293,592</b>
<b>CURRENT LIABILITIES</b>			
Accrued Expenditure		-	2,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>-</b>	<b>2,000</b>
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>2,000</b>
<b>NET ASSETS</b>		<b>303,655</b>	<b>291,592</b>
<b>EQUITY</b>			
Accumulated Funds		303,655	291,592
<b>TOTAL EQUITY</b>		<b>303,655</b>	<b>291,592</b>

The accompanying notes form part of these statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 \$	2003 \$
<b>Cash Flows from Operating Activities</b>			
Interest from Investments & Bank Accounts		18,359	12,407
Scholarship Costs		(11,000)	(7,600)
Oration Expenses		-	(704)
Bank Charges		(26)	(33)
Brokerage		(766)	(2,164)
Net Cash Provided by/(Used in) Operating Activities	3.2	6,567	1,906
<b>Cash Flow from Investing Activities</b>			
Proceeds from Sale of Securities		16,950	-
Proceeds from Maturing Investments		38,746	210,000
Purchases of Investments		(52,707)	(356,726)
Net Cash Gained/(Used) in Investing Activities		2,989	(146,726)
Net Increase/(Decrease) in Cash Held		9,556	(144,820)
Cash at Beginning of Year		21,052	165,872
Cash at End of Year	3.1	30,608	21,052

The accompanying notes form part of these statements.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

### 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 Primary Industries. Such costs are estimated to be \$7,165 inc. GST (\$7,165 in 2003) for the year and includes audit fees of \$3,245 inc. GST (\$3,245 in 2003).

### 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. Brokerage fees are expensed as incurred and are not included in the value of the financial assets. Refer to note 2.3.

#### Investments

	2004 \$	2003 \$
<b>Primary Industry Bank Bonds</b>		
Matures within one year	36,000	74,746
	36,000	74,746

## 2.2 INVENTORIES

Inventories consist of Farrer Memorial Medals. Medals are valued at cost. There was no presentation of the Farrer Medal in 2004.

## 2.3 CURRENT MARKET VALUE OF SHARES AND SECURITIES

The following summary shows the market values of all shareholdings as at 31 December 2004.

Company	No. of Shares/ Units	Market Value		Excluding Purchases	Increase This Year	This Year	
		Purchase Price	Purchases Last During Year				
		\$	\$	\$		\$	
<b>Fixed Income Securities</b>							
National Bank (NABHA)	280	26,670	90	28,174	28,291	117	37,385
Macquarie Bank (MBLHB)	270	26,671	90	27,594	27,486	(108)	36,648
Suncorp Metway (SUNHB)	310	26,038	100	29,109	30,132	1,023	39,852
Woolworths (WOWHA)	260	27,017	90	27,170	27,037	(133)	36,397
<b>Total</b>		<b>\$106,396</b>					<b>\$150,282</b>
<b>Listed Trusts</b>							
*DB Reef (DRT)	12,089	14,720	-	14,320	15,957	1,637	15,957
Macquarie Off Trust (MOF)	-	16,136	13,300	-	-	-	17,157
Macquarie Goodman (MGI)	9,700	14,938	-	16,393	22,989	6,596	22,989
<b>Total</b>		<b>\$45,794</b>					<b>\$56,103</b>
<b>Growth Securities (Share)</b>							
National Bank (NAB)	500	15,840	-	14,975	14,410	(565)	14,410
Leighton Holdings (LEI)	1,600	14,976	-	18,896	19,728	832	19,728
Telstra (TLS)	3,400	14,756	-	16,388	16,694	306	16,694
<b>Total</b>		<b>\$45,572</b>					<b>\$50,832</b>
<b>PORTFOLIO TOTAL</b>		<b>\$197,762</b>					<b>\$257,217</b>

\* DB Reef Industrial Trust (formerly Deutsche Industrial Trust).

DIT was structured and 8,000 units in DIT converted to 12,089 units in DB Reef Industrial Trust.

## RECONCILIATION OF SECURITIES AT COST

Securities at cost as at 31 December 2003	151,153.80
LESS Sales GPT 5,000 units (at cost)	15,100.00
	<u>136,053.80</u>
ADD Purchases Securities (at cost)	52,706.80
Securities at Cost as at 31 December 2004	<u>\$188,760.60</u>

### 3. NOTES TO STATEMENT OF CASH FLOWS

	2004	2003
	\$	\$
<b>3.1 Cash Balance Represented by</b>		
Cash at Bank (St George Bank Account)	30,608	21,052
	30,608	21,052

	2004	2003
	\$	\$
<b>3.2 Reconciliation of Operating Surplus to</b>		
Net Cash Provided by Operating Activities		
Operating Surplus/(Deficit)	12,063	(793)
(Increase)/Decrease in Profit from		
Sale of Securities	(1,850)	-
(Increase)/Decrease in Accrued Interest	(1,646)	1,297
Increase/(Decrease) in Accrued Expenses	(2,000)	2,000
Decrease in Medal Stock	-	148
Interest Income Rolled Over in Investment	-	(746)
Net Cash Provided by Operating Activities	6,567	1,906

### 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 2004 was \$30,608 (\$21,052 in 2003).

#### Investments

As at 31 December 2004, investments amounting to \$36,000 (\$74,746 in 2003) were held in Primary Industry Bank Bonds. The weighted effective interest rate as at 31 December 2004 was 3.42%. 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 2004 was \$2,124 (\$478 in 2003).

### END OF AUDITED FINANCIAL STATEMENTS