



Potatoes South Australia Incorporated Annual Report 2014'15

23 October 2015

Potatoes South Australia Inc ABN 45 568 994 361
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Introduction

Potatoes South Australia is the peak industry body representing all sectors of the potato industry; the state's largest horticultural sector. It was established in order to be a unified voice representing the interests of the stakeholders in the potato industry value chain.

Its vision is to be:

"A whole-of-value chain, financially-independent, relevant and highly effective representative organisation focused on growing demand, competitiveness, sustainability and profitability for all stakeholders in the potato industry".

Its core objectives are:

1. Advocate for industry stakeholders, and engage, represent and influence at local, state and federal government levels;
2. Identify and support relevant research, development and extension needs, collaborating with research bodies and partnering with key stakeholders to source funding;
3. Increase demand, particularly in the fresh market;
4. Improve industry competitiveness and sustainability, through assisting in the development of an appropriately skilled workforce;
5. Support and promote the development of an export-focused culture, and maintain appropriate biosecurity measures; and
6. Continue to unify the potato industry through developing a supportive and informed Potatoes South Australia producer base.

Potatoes South Australia was incorporated on March 22, 2011 under the Associations Incorporation Act 1985.

This Annual Report was presented on Friday 23 October 2015 at the 4th Potatoes South Australia Incorporated Annual General Meeting at Rabobank, Level 5, 2 King William Street Adelaide, South Australia.

Chair's Message



Brian Cunningham

Independent Chair
Potatoes South Australia Incorporated

Chief Executive Officer's Report

Now in my fourth year as CEO, I am delighted to present this report which outlines the achievements and challenges of Potatoes South Australia Incorporated; the peak body for the potato industry value chain.

The Association, which aims to establish the benchmark as the most relevant, value-adding, targeted representative voice in Australian horticulture, has progressed in its structure, capacity and capability, and in the range of services it offers to its stakeholders.

We remain focussed on this strategic intent and our activities are guided by the six core objectives determined by the Board from the Strategic Plan 2014'17 and stated in the Introduction of this Annual Report. In addition, the Business Plan 2014'15 outlines four key priorities which reinforce our focus. These are:

1. Maintaining a secure funding base;
2. Increasing productivity;
3. Increasing domestic consumption; and
4. Building international exports.

The Board

I have the pleasure of working with an excellent Board and I thank them for their continued dedication and commitment to the organisation, and for their strategic advice to me.

Brian Cunningham has now been in the role of Independent Chair for two years and his appointment is clearly instrumental in the finessing of good governance practices, productive Board interaction and overall professionalism. On behalf of the Board, I am pleased that Brian has been appointed for a third term and I look forward to working with him in 2015'16.

Challenges

In the past twelve months the industry has continued to face considerable challenges, many of which remain unresolved from the previous year. These include decreasing competitiveness and tighter margins (mainly due to rising input costs), prolonged uncertainty concerning the possible importation of fresh potatoes for processing from New Zealand, a lack of collaborative national capacity to export, inconsistent domestic biosecurity protocols limiting domestic exports (particularly to Western Australia) and decreasing consumption in the fresh sector.

Increasing domestic consumption is **THE** biggest challenge facing the industry and is particularly relevant for the South Australian Industry which supplies 80% of the national fresh washed market. A predominance of focus for the Association will be reversing this trend; it's most critical task to date. Without a statutory marketing levy, voluntary stakeholder engagement and buy-in will be required. This challenge will be on-going for many years.

With the formal review of Horticulture Australia Limited (HAL) completed last year, its subsequent transition to Horticulture Innovation Australia (HIA) Limited has been carefully watched. There has certainly been widespread concern about future R&D funding mechanisms and the desired model of 'grower' ownership.

With the support of the Board, the Association will continue to meet these challenges through active engagement and appropriate lobbying with all levels of Government, politicians and interstate industry bodies, and through frequent liaison with the media. The involvement of, and collaboration

Achievements

There have also been many developments and achievements during the period.

Support for the voluntary cross-sector levy established in 2013 to resource the Association's operations, continues with new businesses contributing. This demonstrates a strong commitment to our intent and objectives, and, on behalf of the Association, I am very grateful of this on-going and increasing support.

On the Membership-side, both Full and Associate membership numbers are increasing. Stakeholders are now realising the benefits of partnering with a focused, responsible organisation which is dedicated to increasing industry performance.

At the start of 2015, a dedicated Marketing Committee, chaired by Steve Marafiotte (CEO SAPotatoCo) was established. Its priority task is to halt the decline in consumption. Following appropriate stakeholder engagement, including with retailers, it is anticipated that a marketing agency will be appointed to trial a pilot campaign in South Australia with the longer term aim of a national roll-out.

Dedicated Finance and Remuneration Committees have also been established.

Our determination to build international exports for the South Australian industry has resulted in successful project funding of two projects

Projects

Conducting relevant R&D to improve competitiveness through innovation is critical for the industry's continuing viability. Potatoes South Australia has project managed the following projects:

Innovative Nutrient Management in the Australian Potato Industry

This two-year project, funded by the Federal Department of Agriculture, in collaboration with Rural Solutions SA, will determine a more efficient method of soil testing to enable accurate prediction of soil Phosphorous (P) status and availability, to reduce the risk of environmental pollution due to over fertilising, causing eutrophication and poor soil health. The University of Adelaide has been working on the Diffusive Gradient in Thin-films technology (DGT) as a new method to measure plant available P in applicable soil types and predict yield responses for a range of crop types.

Now underway since June 2014, this technology will be tested across all of the major South Australian potato growing regions by establishing a total of 15 replicated trials and 9 demonstration trials across the South East, Mallee, Riverland and Kangaroo Island, encompassing a wide range of soil and potato types, including fresh, processing and seed varieties and individual producers.

The data generated from the project will be statistically analysed to assess the relationship between soil P status as detected by DGT (and the other P tests) and potato response to applications of P expressed as % relative yield or % maximum yield. If this data proves to be statistically significant (highly correlated), the determination of critical soil P threshold values that result in optimum potato yield can be ascertained. The generation of these threshold values will provide producers with a valuable decision support tool to assess whether a fertiliser P application is required and at what rate it should be applied.

The project will be completed in 2016.

The Future

In the coming year, with the backing of a strong Board and Independent Chair, together with financial security due to wide stakeholder support, my focus will be on further cementing relationships in the value chain, establishing project-based strategic partnerships, developing export opportunities and market access particularly in SE Asia, advocating for national biosecurity protocols and of course, representing the industry for its sustained profitability and competitiveness. This must be achieved despite unprecedented national industry unrest.

Additionally, this unrest is against a backdrop of considerable uncertainty as the Federal Government is yet to deliver on the recommendations of Acil Allen's Review of HAL. It is known that HAL will transition to a grower-owned corporation, of which the structure, stakeholder membership and voting rights remain unknown. The relationship with PIBs is also unclear.

On behalf of the Association, I thank Elders Rural Services, as our first strategic partner, for its continuing generous support. I would like to thank the trustees of SAPIT for their generous financial contribution which enabled the establishment of Potatoes South Australia. I sincerely anticipate that the Trustees will think highly of this special industry investment as we continually aim to effectively serve the industry and its stakeholders.

I also thank the many stakeholders and members who continue to provide advice, time and vision to the Association and its projects. I look forward to its growing recognition as the most relevant and valuable asset for them and for this important industry.

It is a great privilege to work with such passionate, energetic and innovative people and I will continue to strive for both state and national industry recognition and excellence.



Robbie Davis

Chief Executive Officer

Potatoes South Australia Incorporated

Potatoes South Australia Incorporated Board of Directors

The Independent Chair and Directors are:

Brian Cunningham

Independent Chair

Brian Cunningham has over 20 years of experience as a Chief Executive in both the private and public sectors. He was recruited into senior Government roles as a Chief Executive in 2005 where he has become recognised as an initiator and driver of organisational and cultural change in two significant Government Departments.

He led the Department of Further Education, Employment, Science and Technology (budget \$480 million and over 6000 full and part-time staff) through a successful change management program and structural reform implemented in 2005-2008.

In his most recent public sector role as Chief Executive of the Department of Trade and Economic Development (2008-2010), Brian led the South Australian Government's key agency for economic and industry development

Since then, Brian has developed a niche and rapidly growing business consultancy focussing on people and business strategies. Aside from consultancy work he undertakes in both public and private sectors, Brian currently serves as a Director on seven diverse Boards, four of which he acts as Chairman.

In terms of corporate profile and history, Brian is probably best known in Australian Rules football states in Australia for his key leadership role in the successful tender for an Australian Football League Club franchise licence in 1994. This resulted in Port Adelaide Football Club entering the National competition in 1997. Brian subsequently drove the development of this state-based sporting club to a highly successful National football league entity in the period 1996-2004.

Qualifications: Bachelor of Science, Diploma in Education (University of Adelaide), Fellow of the Australian Institute of Company Directors

Gary O'Neill

Deputy Chair

As Seed Operation and Development Manager for the Mitolo Group, Gary has a wealth of knowledge and experience in the field of Plant Breeder's Rights, the development and marketing of new potato cultivars, agronomy, freight and logistics planning and the management of contracts. Growing up on a potato farm in the Southern Tablelands of New South Wales, Gary is passionate about the industry and has worked in the seed, fresh and processing sectors. He worked for Smith's Snackfood Company for ten years covering a region from the Atherton Tablelands in Queensland to the Riverina in New South Wales followed by ten years of employment at Elders Ltd. Gary has served on the NSW Seed Potato Advisory Committee and as a Fresh Potato Industry Advisory Committee delegate of Horticulture Australia Limited (HAL).

Qualifications: Diploma in Applied Science (Agriculture) (RMIHE Wagga Wagga)

Andrew Widdison

Director

Andrew is a third generation potato farmer at Kalangadoo in the southeast of South Australia and has been growing potatoes for processing for more than twenty years. His family business currently supplies potatoes to Safries/McCains at Penola. He is Chair of the South East Potato Growers Association (SEPGA) which represents potato growers in the region. A passionate industry advocate, Andrew is keen to see the continuing development of an efficient and sustainable industry to meet consumer expectations.

James Wandel

Director

James has been growing seed potatoes on Kangaroo Island for the past ten years. He was raised on his family's sheep and cattle property, buying his own farm at the age of nineteen. Following thirteen years of producing export oaten hay for the Japanese market, James was encouraged by neighbours to enter the seed industry and now has 100 hectares under production. Seed potato production contributes 85% to his farming enterprise and is predominantly sold to mainland South Australian growers.

Ross Trimboli

Director

Arriving from Southern Italy as a four year old, Ross and his family settled at Virginia on the Northern Adelaide Plains. He attended Gawler High School and then worked on the family farm growing lettuce, onions, carrots and potatoes. He became passionate about improving the quality and yields of different varieties of potatoes and now concentrates on growing for the fresh washed market. The family operates GTS Farms Pty Ltd at Virginia.

Mark Geraghty

Independent Director

Mark was most recently the General Manager-Strategy, Marketing and Communications at Elders, one of Australia's largest agribusinesses.

Heading a specialist team and working closely with each of Elders' Zone General Managers, General Manager-Key Accounts and the national managers of livestock, wool, farm supplies, real estate, rural banking, insurance and financial planning, Mark provided marketing intelligence, strategic planning clarity, and sales and marketing support.

Additionally, Mark was responsible for key elements of Elders' 'Go to Market' strategies including pricing management and market segmentation. He has also overseen the sales and supply chain functions during his time at Elders.

Prior to this appointment, Mark held senior positions in general management, marketing and QA in the FMCG and pharmaceutical industries, including Reckitt and Colman, Roche and Coca Cola South Pacific. Mark is currently consulting on strategic planning while targeting his next senior executive role.

Qualifications: Bachelor of Science (1st Class Hons), Master of Commerce (University of New South Wales)

Paul White

Director

Following graduation, Paul worked in the oil and gas industry for almost twenty years. Much of this time was with Exxon Mobil where he managed a number of departments including Accounting and Finance, Economics and Planning, and Laboratory and QAQC Analysers. After leaving ExxonMobil, he worked in the biofuels industry.

His family operates a certified organic farm in the Adelaide Hills running cattle, sheep and an orchard. His interest in farming and horticulture encouraged him to join Zerella Fresh, a major grower and packer supplying major supermarkets nationally, as General Manager in early 2008.

Qualifications: Bachelor of Economics, Graduate Diploma of Accounting (Flinders University), CPA

Richard Hamley

Director

As Commercial Director-Potatoes for Oakville Produce and based in Queensland, Richard brings a wealth of experience to the Boardroom including over 30 years in corporate horticulture and fresh produce.

Richard has extensive experience in production environments from broad acre field crops, through large scale intensive orchard and vineyard developments to high-tech glasshouses. His experience, which includes international exposure, comprises agronomy, agricultural research and development, crop production, category management and operations management.

Richard has previously spent over a decade with the Costa Group, Australia's leading horticultural supplier and category manager to retail on a number of key produce lines. Joining Costa Exchange in 2003, Richard held the positions of General Manager for Costa's mushroom, tomato, grape and citrus categories.

He remains a Director and Principal Consultant of Nexus Agriculture Pty Ltd, a specialist Agribusiness Consultancy which provides a range of strategic, technical, operational and commercial support services to agribusiness, particularly horticulture and the fresh produce supply chain.

Richard maintains a passion for sustainable agribusiness, having held many key positions including Chairman of the South Australian Murray Resource Information Centre (SAMRIC), Deputy Chair of the Riverland Ramsar (Convention on Wetlands of International Importance) Steering Committee and as a representative on South Australian Murray Irrigators (SAMI).

Richard has also held industry positions in South Australian Citrus Growers (CGSA) and the Australian Mushroom Industry Advisory Committee of Horticulture Australia Limited (HAL).

Born and raised in Zimbabwe, Richard holds a Bachelor of Science (Biological Sciences) from the University of Natal, South Africa.

Steve Marafiote

Director

Steve has held roles of Managing Director and CEO for more than 12 years in multinational businesses within the produce and food industries. He is a former Chair of the South Australian Premier's Food Council, has exported to more than 35 countries, and has won multiple business awards for his commercial acumen and ability to develop multi-faceted and vertically integrated businesses. His current role as CEO for The South Australian Potato Company; one of Australia's major farming, washing and packing operations. He comes from three generations of farming and retail operations within the horticulture industry.

Richard Haynes

Independent Director

Richard has a strong association with the land and grew up on his family's farm in Naracoorte, South Australia. He has a strong technical background in agriculture and has worked at Elders Ltd for over fifteen years, focusing on the viticulture and horticulture industries. He began his career as a Branch Manager in the lower southeast of South Australia and spent four years working with local producers. He has spent the last ten years working with national corporate horticulture clients as a Key Account Manager.

This is Richard's second appointment to the Board.

Qualifications: Bachelor of Agricultural Science (Adel)

Jamie Roberts

Director

Jamie is General Manager and a Director of Thomas Foods International Fresh Produce. He has been involved in the Fresh Produce and Potato Industries for the past 7 years. Educated at Trinity College, he later served on its Board of Management.

With a finance background prior to horticulture, Jamie's experience gained in the industry has focused on Supplier Management, Quality Control and Logistics.

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2015

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

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**POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361**

BOARD OF MANAGEMENT REPORT

The Board of Management submits the financial report of the Potatoes South Australia Incorporated for the financial year ended 30 June 2015.

Board of Management

The Directors of the Board during the year and at the date of the report;

Brian Cunningham

Gary O'Neill

Paul White

Mark Geraghty

Ross Trimboli

Andrew Wilddison

James Wandel

Richard Hamley Elected AGM 2014

Jamie Roberts Elected AGM 2014

Steve Marafiotte Elected AGM 2014

Richard Haynes Co-opted AGM 2014

Principal Activities

The principal activities of the association during the financial year were:

Industry value chain stakeholder representation and engagement at regional, state and national levels.

Significant Changes

Three additional Directors were appointed and one additional Director was co-opted at the AGM.
Employment of Project and Partnership Manager on 10/03/2015

Operating Result

The profit of the association after providing for income tax amounted to \$37,577.78

Signed in accordance with a resolution of the Board of Management.

Dated this day of October 2015

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
INCOME			
Annual Dinner		9,225.46	7,032.99
Fees Received		-	357.00
Grants - Operational		5,100.00	22,182.00
Net Projects Management Fees		75,118.18	9,144.85
Membership Fees		5,615.40	4,818.00
Levies		222,375.08	205,189.42
Interest Received		9,280.79	5,083.82
		<u>326,714.91</u>	<u>253,808.08</u>
OTHER INCOME			
Potato Conference 2014		12,584.85	-
Sundry Receipt		28.71	193.73
		<u>12,613.56</u>	<u>193.73</u>
		<u>339,328.47</u>	<u>254,001.81</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation
report of Iullano Pannunzio & Co.

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
EXPENDITURE			
Accountancy		3,930.00	-
Administration Charges		17,553.94	4,661.66
Advertising & Promotion		2,063.73	17,902.19
Auditors Remuneration - Fees		4,200.00	-
Bank Charges		861.35	484.91
Bank Merchant Fees		-	213.26
Computer & IT		2,493.03	4,697.23
Consultant Fees		8,667.64	-
Chairperson Expenses		20,531.64	19,999.68
Depreciation		390.00	-
Exhibition Expenses		454.55	-
Annual Dinner Expenses		9,285.19	6,739.45
Fringe Benefits Tax		5,566.55	7,365.97
General Expenses		279.00	197.73
Insurance		1,985.55	1,854.55
Interest		-	0.08
Licences, Registrations, Permits		-	884.36
Meeting Expenses		4,678.82	5,092.42
Motor Vehicle Expenses		4,906.33	4,047.39
Office Expenses		385.00	2,002.46
Parking		3,635.96	3,045.45
Postage		-	53.63
Printing & Stationery		3,848.54	453.60
Provision for Annual Leave		6,631.35	9,235.81
Staff Training		53.64	2,399.10
Scholarships		4,363.64	-
Subscriptions		3,835.64	1,014.73
Superannuation		13,064.73	13,044.10
Telephone		3,029.11	2,652.11
Travelling Expenses		19,680.79	11,283.69
Wages		153,748.62	132,038.62
Workcover Levy		1,626.35	889.59
		<u>301,750.69</u>	<u>252,253.77</u>
Profit before income tax		37,577.78	1,748.04

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report of Iuliano Pannunzio & Co.

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Profit for the year		<u>37,577.78</u>	<u>1,748.04</u>
Retained earnings at the beginning of the financial year		<u>234,100.35</u>	<u>232,352.31</u>
Retained earnings at the end of the financial year		<u>271,678.13</u>	<u>234,100.35</u>

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POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

BALANCE SHEET
AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	465,262.85	290,588.77
Trade and other receivables	3	70,037.54	27,501.29
TOTAL CURRENT ASSETS		<u>535,300.39</u>	<u>318,090.06</u>
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,125.00	-
Intangible assets	5	300.00	300.00
TOTAL NON-CURRENT ASSETS		<u>2,425.00</u>	<u>300.00</u>
TOTAL ASSETS		<u>537,725.39</u>	<u>318,390.06</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	6	59,531.44	38,361.00
Provision for Grants - Project Expenses		206,515.82	45,900.00
ATO Integrated Client Account		-	28.71
TOTAL CURRENT LIABILITIES		<u>266,047.26</u>	<u>84,289.71</u>
TOTAL LIABILITIES		<u>266,047.26</u>	<u>84,289.71</u>
NET ASSETS		<u>271,678.13</u>	<u>234,100.35</u>
MEMBERS' FUNDS			
Retained earnings	7	271,678.13	234,100.35
TOTAL MEMBERS' FUNDS		<u>271,678.13</u>	<u>234,100.35</u>

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POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1 Statement of Significant Accounting Policies

Basis of Preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 1985. The Board has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of this financial report.

Plant and Equipment

Plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all plant and equipment is depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

Impairment of Non-Financial Assets

At the end of each reporting period the association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the balance sheet if the association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rendering of services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
2 Cash and Cash Equivalents		
Cash at Bank		
Rural Bank 301775045 AJ01	12,446.67	170,260.60
Rural Bank 301788246 AJ02	3,002.58	4,164.89
Rural Bank 301794202 AJ03	15,654.10	44,420.37
Rural Bank 301844940 AJ04	20,234.74	27,949.13
Rural Bank 301870895 AJ05	17,629.05	42,675.12
Rural Bank 301911103 AJ06	15,134.76	1,118.66
Rural Bank 301946885 ZA01	381,160.95	-
	465,262.85	290,588.77
	465,262.85	290,588.77
3 Trade and Other Receivables		
Current		
Accounts Receivables	55,657.67	24,729.35
GST on acquisitions	14,379.87	2,771.94
	70,037.54	27,501.29
4 Property, Plant and Equipment		
Office Equipment & Furniture - at Cost	3,809.55	1,294.55
Less Prov'n for Depreciation	(1,684.55)	(1,294.55)
	2,125.00	-
Total Plant and Equipment	2,125.00	-
Total Property, Plant and Equipment	2,125.00	-
5 Intangible Assets		
Trade Marks	300.00	300.00
Total	300.00	300.00

These notes should be read in conjunction with the attached compilation
report of Iuliano Pannunzio & Co.

POTATOES SOUTH AUSTRALIA INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<hr/>		
6	Accounts Payable and Other Payables	
	Current	
	Accrued Expenses	
Payroll Clearing	-	0.07
Pay As You Go Withholding	11,573.52	8,684.02
Superannuation	3,939.56	2,309.60
ATO FBT	1,755.30	7,365.97
	17,268.38	18,359.66
GST on supplies	26,395.90	10,765.53
Provision for Annual Leave	15,867.16	9,235.81
	59,531.44	38,361.00
7	Retained Earnings	
Retained earnings at the beginning of the financial year	234,100.35	232,352.31
Net profit attributable to the association	37,577.78	1,748.04
Retained earnings at the end of the financial year	271,678.13	234,100.35

These notes should be read in conjunction with the attached compilation
report of Iuliano Pannunzio & Co.

**POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361**


STATEMENT BY THE BOARD OF MANAGEMENT

The Board has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board the financial report as set out on pages 1 to 10:

1. Presents a true and fair view of the financial position of Potatoes South Australia Incorporated as at 30 June 2015 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Potatoes South Australia Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



Independent Chair

Treasurer

Dated this 7th day of October 2015

**COMPILATION REPORT
TO POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361**

We have compiled the accompanying special purpose financial statements of Potatoes South Australia Incorporated which comprise the balance sheet as at 30 June 2015, profit and loss statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the additional information contained in the detailed profit and loss.

The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The responsibility of the Board of Management

The Board of Management is solely responsible for the information contained in the special purpose financial statements and has determined that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our responsibility

On the basis of the information provided by the Board of Management we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Board of Management provided, in compiling the financial statements. Our procedures do not include verification or validation of procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the Board of Management. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Name of Firm: Iuliano Pannunzio & Co
Accountants

Name of Partner:


Alberto Iuliano

Address: 100 Rundle Street Kent Town SA 5067

Dated this 7 day of October 2015