



Potatoes South Australia Incorporated Annual Report
2015'16

30 November 2016

Potatoes South Australia Inc ABN 45 568 994 361
Level 1, 145 South Terrace Adelaide South Australia 5000
GPO Box 1664 Adelaide South Australia 5001
www.potatoessa.com.au

Table of Contents

Introduction

Chair's Message

Chief Executive Officer's Report

Potatoes South Australia Incorporated Board of Directors

Financial Report

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 Wednesday 30 November 2016 at the 5th Potatoes South Australia Incorporated Annual General Meeting at the Boardroom, Level 1, 147 Pirie St Adelaide, South Australia 5000.

Chair's Message

2015/16 has been a challenging year as Potatoes South Australia has had to manage its priority agenda items with the many significant changes within the industry over the past 12 months.

Our CEO Robbie Davis with the support of the Board continues to work hard to achieve our key objectives as the peak industry body for the potato industry in South Australia in providing value added representative services to our membership and the wider industry. In doing so we are all acutely aware of our stakeholders needs and wants, and our obligations to the industry to invest its funds wisely. That is always uppermost in our thinking as we strive for industry excellence.

Challenges and Opportunity

In terms of the challenges and opportunities, Robbie clearly articulates these below so I will not repeat what she has documented in her report. However I will say that some of the challenges for the industry are long standing ones which require even greater levels of collaboration than the healthy level we currently enjoy around the Potatoes South Australia Boardroom table.

One of the initiatives proposed last year is a good example and while the outcome might have been commercially inevitable, it does demonstrate how uncertainty can postpone the best of plans.

With stakeholder and Board support and in liaison with the University of Adelaide, Robbie led a focussed project early in the year to develop a sound base of empirical data which could be used to trial a pilot generic marketing campaign in South Australia. The purpose of this work was to tackle what, by general industry consensus, was considered to be the number 1 priority task which was increasing domestic fresh potato consumption.

Unfortunately the uncertainty within the value chain as a result of Oakville's voluntary administration and other associated individual company concerns, forced the Association to put the project on hold until a clearer picture of the ramifications of that event to the industry were.

Now that "the air has cleared" somewhat, Potatoes South Australia looks forward in the future to trialling a pilot generic marketing campaign in South Australia based on the extensive survey results obtained with the longer term aim of a national roll-out to increase consumer demand in the fresh sector. This is only one of the initiatives your Association is pushing forward.

It is also working hard politically and in particular, to further develop the relationship with HIA as it transitions into an organisation which is more transparent in the allocation of funding for Research and Development to the industry which we strongly believe must be demand-driven by the industry.

In addition, Potatoes South Australia, through Robbie's passion has developed an expertise in project management and as a result, a range of exciting projects are under way to support the key priorities of increasing productivity. The "Innovative Nutrient Management in the Australian Potato Industry" project and the "Transformation of waste potato into niche wholesale/retail products" are two projects which show significant opportunity on which the industry can capitalise.

Robbie is also well progressed in putting together a bold joint bid for the 11th World Potato Conference here in Adelaide (in 2021) as part of a National Bid Committee. This is another exciting opportunity for the industry and would showcase our capabilities to the world and no doubt provide outstanding opportunity for the industry here in South Australia.

Our Board is convinced that 2016/17 will be no less challenging, but Potatoes South Australia is determined to give its members and stakeholders some significant wins over the next 12 months by maintaining focus on what the Board and the industry sees as priorities for its representative body.

Governance

I want to thank the Board of Directors again for their professional guidance over the past 12 months. The Board are dedicated to industry growth and their advice has been invaluable. In particular, Deputy Chair Gary O'Neill has been a great sounding board for me as Independent Chair and his technical and industry advice is unsurpassed. While the Board is an eclectic mix of producers and independents, all of our members are focussed and committed to the betterment of the industry as a whole and all put valuable personal and professional time aside to that end.

As is the case with all organisations there is constant refreshment to personnel. Our Board is no different and this year we say farewell to several Board members whose tenure on the Board has been come to an end. In particular I want to thank long standing Board members Mark Geraghty and Ross Trimboli who have reached the end of their multiple tenures. Both have elected not to re-nominate, Ross for personal reasons, and Mark because of an elevation in his day-to-day executive role which will cause him to be interstate much of his working week.

To both of these gentlemen we say many thanks for their wise guidance and expert advice and for their extraordinary time and commitment to the industry. We now seek new members at the AGM this year to fill the big shoes of Mark and Ross.

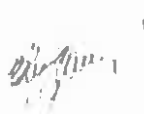
Financial Performance

Potatoes South Australia's audited end of year financial performance of \$10,305.32 after all administration costs is a solid result for the fourth year in a row and shows that the organisation's business model is financially sound. The majority of the Association's income is generated through the voluntary levy Funding Plan across all sectors at point of sale which continues to be successful. We thank our stakeholders for this continued support which we regard as a strong show of support for our activities.

Appreciation

I want to again place on record our Board's appreciation to our CEO in Robbie Davis. Robbie maintains an outstanding work ethic in the best interests of the potato industry and we are extremely proud of her efforts. She has grown remarkably in the role over the past 5 years and continues to drive the business of Potatoes South Australia with passion and purpose. Her major focus continues to be on building those critical strong relationships with producer sector stakeholders in South Australia and beyond our borders from where we also receive voluntary levy payments.

Finally I also want to sincerely thank the Board for their efforts during the past year. I have advised the Board that 2016/17 will be my last year in the role as Independent Chair and I have very much enjoyed my role over the past 4 years. Together we will work over the next six months on a succession strategy for the Board and the new Independent Chair. I want to thank all of the Board members, the producers, members and stakeholders of Potatoes South Australia for your continued support which has been much appreciated.



Brian Cunningham

Independent Chair
Potatoes South Australia Incorporated

Chief Executive Officer's Report

Now in my fifth 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 2015'16 maintains 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 thank the Board Members for their continued dedication and commitment to the organisation, and for their strategic advice to me.

I am very privileged to have a wealth of experience and knowledge at the Board table; always delivered with extraordinary passion. The commitment of time and input by the members without honorarium is greatly appreciated.

Brian Cunningham has now been in the role of Independent Chair for three years and his appointment is clearly instrumental in the finessing of good governance practices, productive Board interaction and overall professionalism. Brian has been appointed for a fourth and final term and I look forward to working with him in 2016'17.

Challenges

Due to the voluntary levy which enables this organisation to operate, I am reminded continually of the Board's and my obligation to the industry; individual stakeholders are investing thousands of dollars to support our achievements. We remain highly accountable.

The past twelve months has been a year of great change and considerable challenge, many of which remain unresolved from previous years. These include a lack of collaborative state and national capacity to export, continuing non-resolution regarding domestic exports to Western Australia (based on PCN area-freedom), union agitation, confusion and debate in the certified seed sector concerning governance and the national seed certification scheme, the consequences of the review of Horticulture Innovation Australia (HIA), and decreasing consumption in the fresh sector.

Key challenges include the following:

- *Review of the Modern Award*

There is no doubt that the most critical issue continues to be the Review of the Modern Award; the Horticulture Award. This is ongoing and the industry and other collaborative bodies must persist to achieve the variation of the coverage clause reflective of the industry in terms of definition ie what is the 'horticulture industry', what are 'horticultural crops' and what is a 'horticultural enterprise'.

The technology tested across all of the major South Australian potato production regions 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 outcome was that 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 is highly correlated, allowing the determination of critical soil P threshold values that result in optimum potato yield. 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 was featured in the Potatoes Australia publication.

Reducing pre-farm gate waste continues with two projects underway:

- ***Transformation of waste potato into niche wholesale/retail products***

Funded by PIRSA (\$125,000) under the Advanced Food Manufacturing Grants (AFMG) scheme and supported by Industry (\$25,000), the project is being conducted in collaboration with the University of Adelaide's FOODplus Research Centre and a manufacturing partner. The objective is to produce a commercial product into a value-added highly nutritious food for the paediatric and geriatric markets. This project has received overwhelming attention nationally and internationally. The project will be completed in late 2016.

- ***South Australian River Murray Sustainability (SARMS) Project***

This joint project involving the South Australian Research and Development Institute (SARDI) and the Australian Wine Research Institute (AWRI), is funded by the Federal Department of Agriculture through PIRSA (\$317,000) and by industry (\$317,450). Potatoes South Australia is an industry partner together with Citrus Australia (SA Region), the Australian Grape & Wine Authority (AGWA), Horticulture Innovation Australia (HIA) and private wineries.

It will identify the different under-valued waste streams emanating from the Murraylands, Riverland and Mallee regions and determine what economically-viable higher value uses (nutraceuticals, bioceuticals, pharmaceuticals, functional foods, biofuel) are possible. I am fortunate to chair the Reference Group. The project will be completed by March 2017.

- ***STEM Student Project Program***

As a precursor to AFMG program, the aim of this project was to enable University of Adelaide students to work with industry and members of the public to establish Australian consumers' attitudes and behaviours towards potato consumption. In March 2016, findings were communicated to industry through a report, "A consumer's insight into Potatoes: Nutritional knowledge, Attitudes and Beliefs". An academic paper co-authored by me has been submitted for publication in the international journal "Appetite".

There is no doubt that our success has been due to collaboration at every level with both the public and private sectors. I am very grateful for the relationship with the Government of South Australia, particularly Primary Industries and Regions SA (PIRSA) and the Department of state Development (DSD).

Additionally, my being awarded the 2016 RIRDC Rural Women's Award has allowed me to profile the potato industry (and agriculture generally) on a significantly elevated platform.

Future Direction

In the coming year, with the backing of a strong Board and Independent Chair, my focus will be on more extensive engagement with the industry, establishing additional long term strategic partnerships, and most importantly, re-vitalising the vehicle to increase consumer demand in the fresh sector and intensifying the valorisation of horticultural waste.

Our corporate partnerships are very important to us as we are principally funded by industry and have no direct government funding. These partnerships are largely built through project collaboration. On behalf of the Association, I thank Elders Ltd as our first strategic partner, for its continuing generous support and I welcome Peats Soils and Garden Supplies as a new Gold partner. I also welcome Agricrop and financial planning experts Prime Super as new Silver and Bronze partners respectively. I also thank Rabobank and RuralCo, our partners in the provision of an annual scholarship for a primary producer to complete the prestigious Rabobank Executive Development Program.

Thank you to the trustees of SAPIT for their financial contribution to our many projects and of course for enabling the establishment of Potatoes South Australia in the first place. 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 as in previous years, I will continue to strive for state, national and international industry recognition and excellence.



Robbie Davis
Chief Executive Officer
Potatoes South Australia Incorporated

Potatoes South Australia Incorporated Board of Directors

In the Financial Year 1 July 2015 to 30 June 2016, the Independent Chair and Directors include the following:

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 from a high profile CEO role in National Sports Administration. In his government roles, Brian became 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 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 six diverse Boards, five 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 and Manager Farms 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, NSW)

Andrew Widdison

Director

Andrew is a third generation potato producer 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 is currently employed as General Manager RACV Salary Solutions, Adelaide. Prior to this, Mark was 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 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.

Richard has been co-opted to the Board for two consecutive terms.

Qualifications: Bachelor of Agricultural Science (University of Adelaide)

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.

Steve Barnes

Director

Steve was appointed as General Manager SA Potato Co in January 2016 and was previously employed as General Manager, Premium Fresh Tasmania Ltd.

He brings a wealth of knowledge and experience to the potato industry following six years in the hospitality and retail sectors in Queensland and 15 years with The Langmead Group and Nature's Way in the United Kingdom.

He resigned from his position as Director at 30 June 2016.

Richard Hamley

Director

On appointment to the Board of Potatoes South Australia, Richard was Commercial Director-Potatoes for the MGroup, later renamed Oakville Produce.

Based in Queensland, Richard brings a wealth of experience to the Boardroom including over 30 years in corporate horticulture and fresh produce. He 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).

He resigned from his position as Director at 9 December 2015.

Qualifications: Bachelor of Science (Biological Sciences) (University of Natal, South Africa)

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF POTATOES SOUTH AUSTRALIA INCORPORATED

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Potatoes South Australia Incorporated, which comprises the balance sheet as at 30 June 2016, the income statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by officers of the association.

Directors' Responsibility for the Financial Report

The Board of Management is responsible for the preparation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements, which form the basis of the financial report, are appropriate to meet the financial reporting requirements of the members. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from 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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a fair presentation in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Potatoes South Australia Incorporated as at 30 June 2016 and of its financial performance for the year then ended.

Basis of accounting and restriction on distribution

Without modifying our opinion, we draw attention to the accounting policies which form the basis of the financial report. The financial report has been prepared for the purpose of fulfilling the Board of Management's reporting responsibilities under the constitution. As a result, the financial report may not be suitable for another purpose.

.....

Dean Withers - director

Dean Withers & Associates Pty Ltd

Chartered Accountants

4 Frederick Street
Frewville, SA 5063

Dated: ^{29th}.....November 2016

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2016

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

CONTENTS

Board's Report	1
Income Statement	2
Balance Sheet	5
Notes to the Financial Statements	6
Statement by Members of the Board	12
Compilation Report	13
Certificate by Members of the Board	14

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

BOARD OF DIRECTORS' REPORT

Your Board Members submit the financial report of the Potatoes South Australia Incorporated for the financial year ended 30 June 2016.

Board Members

The name of each member of the Board during the year and if different, at the date of the report;

Brian Cunningham	(Independent Chair)
Gary O'Neill	
Paul White	
Mark Geraghty	
Ross Trimboli	
Andrew Wilddison	
James Wandel	
Richard Hamley	Resigned 11/15 Ian Simpson appointed 12/15, resigned 06/16
Jamie Roberts	
Steve Marafiote	Resigned 02/16 Steve Barnes appointed 04/16
Richard Haynes	Co-opted AGM 2015

Principal Activities

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

Value chain stakeholder at regional, state and national levels.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The profit of the association after providing for income tax amounted to \$10,305.32

Signed in accordance with a resolution of the Members of the Board

Dated this day of

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
INCOME			
Annual Dinner		16,058.91	9,225.46
Grants - Operational		-	5,100.00
Net Projects Management Fees		50,317.18	75,118.18
Membership Fees		3,850.00	5,615.40
Levies		209,908.07	222,375.08
Interest Received		9,482.62	9,280.79
Marketing Campaign		20,000.00	-
Partnerships/Sponsors		28,500.00	-
		<u>338,116.78</u>	<u>326,714.91</u>
OTHER INCOME			
Potato Conference 2014		-	12,584.85
Rebates Received		668.52	-
Sundry Receipt		-	28.71
		<u>668.52</u>	<u>12,613.56</u>
		<u>338,785.30</u>	<u>339,328.47</u>

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

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
EXPENDITURE			
Accountancy		3,005.00	3,930.00
Administration Charges		15,843.11	17,553.94
Advertising & Promotion		14.40	2,063.73
Auditors Remuneration - Fees		2,475.00	4,200.00
Bad Debts - Provision		11,252.89	-
Bank Charges		707.08	861.35
Computer & IT		5,152.94	2,493.03
Consultant Fees		-	8,667.64
Chairperson Expenses		20,862.48	20,531.64
Depreciation		946.24	390.00
Exhibition Expenses		-	454.55
Annual Dinner Expenses		13,174.45	9,285.19
Fringe Benefits Tax		7,835.11	5,566.55
General Expenses		504.77	279.00
Insurance		2,008.65	1,985.55
Marketing campaign		18,597.50	-
Meeting Expenses		7,443.86	4,678.82
Motor Vehicle Expenses		5,886.62	4,906.33
Office Expenses		-	385.00
Parking		1,158.06	3,635.96
Printing & Stationery		3,455.95	3,848.54
Provision for Annual Leave		1,820.63	6,631.35
Rent		7,500.00	-
Registration Fees		3,414.44	-
Staff Training		418.18	53.64
Scholarships		-	4,363.64
Subscriptions		3,769.81	3,835.64
Superannuation		13,242.45	13,064.73
Telephone		4,197.80	3,029.11
Travelling Expenses		14,103.69	19,680.79
Wages		158,196.39	153,748.62
Workcover Levy		1,492.48	1,626.35
		<u>328,479.98</u>	<u>301,750.69</u>
Profit before income tax		10,305.32	37,577.78

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

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Profit for the year		<u>10,305.32</u>	<u>37,577.78</u>
Retained earnings at the beginning of the financial year		<u>271,678.13</u>	<u>234,100.35</u>
Retained earnings at the end of the financial year		<u>281,983.45</u>	<u>271,678.13</u>

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

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

BALANCE SHEET
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	399,083.09	465,262.85
Trade and other receivables	4	33,331.12	55,657.67
TOTAL CURRENT ASSETS		<u>432,414.21</u>	<u>520,920.52</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,178.76	2,125.00
Intangible assets	6	300.00	300.00
TOTAL NON-CURRENT ASSETS		<u>1,478.76</u>	<u>2,425.00</u>
TOTAL ASSETS		<u>433,892.97</u>	<u>523,345.52</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	7	56,310.88	45,151.57
Provision for Grants - Project Expenses		95,598.64	206,515.82
TOTAL CURRENT LIABILITIES		<u>151,909.52</u>	<u>251,667.39</u>
TOTAL LIABILITIES		<u>151,909.52</u>	<u>251,667.39</u>
NET ASSETS		<u>281,983.45</u>	<u>271,678.13</u>
MEMBERS' FUNDS			
Retained earnings	8	281,983.45	271,678.13
TOTAL MEMBERS' FUNDS		<u>281,983.45</u>	<u>271,678.13</u>

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

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

The financial statements cover Potatoes South Australia Incorporated as an individual entity. Potatoes South Australia Incorporated is a not for profit Association incorporated in SA under the Associations Incorporation Act 1985.

The functional and presentation currency of Potatoes South Australia Incorporated is Australian dollars.

1 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 of Directors has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

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.

2 Summary of Significant Accounting Policies

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Plant and Equipment

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment of losses. Plant and equipment is depreciated on a straight line basis over the assets useful life to the Association, commencing when the asset is ready for use.

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 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 2016

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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

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 comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
3 Cash and Cash Equivalents		
Cash at Bank		
Rural Bank 301775045 AJ01	11,986.14	12,446.67
Rural Bank 301788246 AJ02	6,416.38	3,002.58
Rural Bank 301794202 AJ03	3,720.51	15,654.10
Rural Bank 301844940 AJ04	705.34	20,234.74
Rural Bank 301870895 AJ05	1,841.81	17,629.05
Rural Bank 301911103 AJ06	1,920.82	15,134.76
Rural Bank 301946885 ZA01	372,492.09	381,160.95
	<u>399,083.09</u>	<u>465,262.85</u>
	<u>399,083.09</u>	<u>465,262.85</u>
4 Trade and Other Receivables		
Current		
Accounts Receivables	44,584.01	55,657.67
Less Prov'n for Doubtful Debts	(11,252.89)	-
	<u>33,331.12</u>	<u>55,657.67</u>
	<u>33,331.12</u>	<u>55,657.67</u>
5 Property, Plant and Equipment		
Office Equipment & Furniture - at Cost	3,809.55	3,809.55
Less Prov'n for Depreciation	(2,630.79)	(1,684.55)
	<u>1,178.76</u>	<u>2,125.00</u>
Total Plant and Equipment	<u>1,178.76</u>	<u>2,125.00</u>
Total Property, Plant and Equipment	<u>1,178.76</u>	<u>2,125.00</u>
6 Intangible Assets		
Trade Marks	300.00	300.00
Total	<u>300.00</u>	<u>300.00</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
7 Accounts Payable and Other Payables		
Current		
Accrued Expenses		
Pay As You Go Withholding	23,485.56	11,573.52
Superannuation	2,952.94	3,939.56
ATO FBT	<u>3,992.11</u>	<u>1,755.30</u>
	30,430.61	17,268.38
Supplies subject to GST (normal GST supplies A/c)	8,192.48	12,016.03
Provision for Annual Leave	<u>17,687.79</u>	<u>15,867.16</u>
	<u>56,310.88</u>	<u>45,151.57</u>
8 Retained Earnings		
Retained earnings at the beginning of the financial year	271,678.13	234,100.35
Net profit attributable to the association	<u>10,305.32</u>	<u>37,577.78</u>
Retained earnings at the end of the financial year	<u>281,983.45</u>	<u>271,678.13</u>

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

POTATOES SOUTH AUSTRALIA INCORPORATED
ABN 45 568 994 361

STATEMENT BY THE BOARD OF DIRECTORS

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 11.

1. Presents a true and fair view of the financial position of Potatoes South Australia Incorporated as at 30 June 2016 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 28th day of November 2016

**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 2016, profit and loss statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

The specific purpose for which the special purpose financial statements have been prepared is set out in the notes to the accounts.

The responsibility of the Board of Directors

The Board of Directors of Potatoes South Australia Incorporated is solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination 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 Directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in the notes to the financial statements and APES 315: Compilation of Financial Information.

We have applied professional expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in the notes to the financial statements. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled for the benefit of the Board of Directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility 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 25 day of November 2016