



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
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Ref: FR2002/787-[054N]

Mr Jonathan McKeown
Chief Executive
NSW Farmers' (Industrial) Association
GPO Box 1068
SYDNEY NSW 2001

Dear Mr McKeown

Re: NSW Farmers' (Industrial) Association
Financial Reporting Obligations under *Workplace Relations Act 1996*

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed body under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 31 December, 2002.

The legislative scheme set out in Part IX, Division 11 of the Act is directed at ensuring that a registered organisation or a branch of such an organisation discharges obligations of accountability to its members in relation to its financial affairs through proper and regular disclosure of financial information. The various steps of the financial reporting requirements must be carried out within the time-scales prescribed by the legislation so as to ensure the relevance of the financial information provided to the members.

Now that the financial year has ended, it is timely that you put in train the various steps of the financial reporting requirements. To assist you with this process I have enclosed for your information a notice summarising these requirements including the time-scales prescribed by the legislation.

Please note that a branch of an organisation may be exempted from the obligations arising under Part IX, Division 11 in respect of a financial year by satisfying a Registrar that the branch did not have any financial affairs during the financial year. An application under subsection 271A(1) of the Act must be made within 90 days (unless extended by a Registrar) after the end of the financial year.

Please do not hesitate to contact me on (02) 8374 6618 if you wish to discuss the financial reporting requirements, especially if you anticipate any difficulty in meeting any step in the time-scales prescribed.

Yours sincerely

Belinda Penna
E-mail: belinda.penna@air.gov.au
5 February 2003

20 August 2003

Ms Caroline Pryor
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Rec'd
28/8/03

Dear Ms Pryor

NSW FARMERS' (INDUSTRIAL) ASSOCIATION

In accordance with the requirements of the Workplace Relations Act 1996, please find enclosed the following for your attention:

1. The accounts and statements in compliance with Section 273 of the Act;
2. A copy of our Auditor's report on the NSW Farmers' (Industrial) Association for the year ending 31 December 2002;
3. A copy of the Association's Annual Report with enclosed financial statements that provided members with the details required under Section 279 (1) and (3) of the Act;
4. The details set out in the Annual Report were presented to a meeting of the members on 23 July 2003 in compliance with Section 279 (6) of the Act;
5. The attached certificate signed by me in compliance with Section 280 (1) of the Act.

Please contact Alistair Tomlinson on 02 8251 1839 should any additional information be required.

Yours sincerely


Jonathan McKeown
CHIEF EXECUTIVE

20 August 2003

DISTRIBUTION OF FINANCIAL ACCOUNTS FOR 2002

I wish to confirm that a copy of the Annual Report containing the financial accounts for the NSW Farmers' (Industrial) Association for the year ending 31 December 2002 was mailed out to all members of the Association on 25 June 2003 allowing a period of well in excess of the required 8 days prior to the AGM of the NSW Farmers' (Industrial) Association held on 23 July 2003.

Yours sincerely



Jonathan McKeown
CHIEF EXECUTIVE

20 August 2003

CERTIFICATE BY SECRETARY OF THE ASSOCIATION

I, Jonathan McKeown, being the Chief Executive and Secretary of the NSW Farmers' (Industrial) Association, do hereby certify that the attached Financial Statements and Reports are true copies of the Financial Statements and Reports that were presented to all members and as adopted at the Annual General Meeting of the Association held on 23 July 2003 in respect of the financial year of the organisation ending on 31 December 2002 and in accordance with Section 280 (1) of the Act.

Yours sincerely


Jonathan McKeown
CHIEF EXECUTIVE

NSW FARMERS' (INDUSTRIAL) ASSOCIATION

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2002

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NSW FARMERS' (INDUSTRIAL) ASSOCIATION
CERTIFICATE BY ACCOUNTING OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2002

I, Michael Nicholls, being the Officer responsible for keeping the accounting records of the NSW Farmers' (Industrial) Association certify that as at 31 December 2002, the number of members of the organisation was 10,406 (2001 – 11,153).

In my opinion,

- i. The attached accounts show a true and fair view of the financial affairs of the organisation as at 31 December 2002;
- ii. A record has been kept of all monies paid by, or collected from, members and all monies so paid by, or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the organisation;
- iii. Before any expenditure was incurred by the organisation, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation;
- iv. With regard to funds of the organisation raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- v. All loans or other benefits granted to persons holding office in the organisation were authorised in accordance with the rules; and
- vi. The register of members of the organisation was maintained in accordance with the Act.

Signed at Sydney this *6th* day of *June* 2003.

M. A. NICHOLLS
Treasurer



NSW FARMERS' (INDUSTRIAL) ASSOCIATION

CERTIFICATE BY EXECUTIVE COMMITTEE

We, MJ Peters and MA Nicholls, being the two members of the Executive Committee of the NSW Farmers' (Industrial) Association, do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that:

- i. in the opinion of the Executive Committee, the attached accounts show a true and fair view of the financial affairs of the organisation as at 31 December 2002;
- ii. in the opinion the Executive Committee, meetings of the Committee were held during the year ended 31 December 2002 in accordance with the rules of the organisation;
- iii. to the knowledge of any member of the Committee, there have been no instances where records of the organisation or other documents (not being documents containing information made available to a member of the organisation under sub-section 274(1) of the Workplace Relations Act 1996, as amended) or copies of these records or documents, or copies of the rules of the organisation, have not been furnished or made available, to the members in accordance with the requirements of the Workplace Relations Act 1996, as amended, the Regulations thereto, or the rules of the organisation; and
- iv. the organisation has complied with sub-sections 279(1) and (6) of the Act in relation to the financial accounts in respect of the year ended 31 December 2001, and the auditors' report thereon.

Signed at Sydney this 6th day of June 2003.

In accordance with the Minutes of the Executive Committee of the NSW Farmers' (Industrial) Association



M. J. PETERS
Chairman



M. A. NICHOLLS
Treasurer

NSW FARMERS' (INDUSTRIAL) ASSOCIATION
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2002

	<u>Note</u>	<u>2002</u>	<u>2001</u>
		\$	\$
Revenue from ordinary activities	2	3,656,293	4,329,744
Depreciation and Amortisation		(15,619)	(15,814)
Employee Benefits Expense		(230,444)	(220,423)
Management Fees		(4,800,000)	(3,200,000)
Increment/(Decrement) on revaluation of properties	3 (b)(i)	-	2,354,412
Other expenses from ordinary activities	3	(1,200,599)	(721,959)
(Deficit)/surplus from ordinary activities before income tax		<u>(2,590,369)</u>	<u>2,525,960</u>
Income tax expense	1(b)	-	-
Net (deficit)/surplus from ordinary activities after income tax	14	<u>(2,590,369)</u>	<u>2,525,960</u>
Net (decrease) in asset revaluation reserve - investments	16(a)	(488,729)	(279,788)
Net increase in asset revaluation reserve - properties	16(b)	2,750,000	745,588
Total revenue, expenses and valuation adjustments recognised directly in equity		<u>2,261,271</u>	<u>465,800</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>(329,098)</u>	<u>2,991,760</u>

To be read in conjunction with the Notes to these financial statements.

SW FARMERS' (INDUSTRIAL) ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2002

	<u>Note</u>	<u>2002</u> \$	<u>2001</u> \$
CURRENT ASSETS:			
Fixed Assets	4	32,614	328,286
Receivables	5	1,150,323	1,186,975
Other Assets		34,138	27,058
TOTAL CURRENT ASSETS		<u>1,217,075</u>	<u>1,542,319</u>
NON-CURRENT ASSETS:			
Other Financial Assets	6	8,054,376	10,466,045
Property, plant & equipment	7	43,788,290	41,053,910
TOTAL NON-CURRENT ASSETS		<u>51,842,666</u>	<u>51,519,955</u>
TOTAL ASSETS		<u>53,059,741</u>	<u>53,062,274</u>
CURRENT LIABILITIES:			
Payables	8	483,508	156,943
TOTAL CURRENT LIABILITIES		<u>483,508</u>	<u>156,943</u>
NON-CURRENT LIABILITIES:			
Other Liabilities	9	23,760	23,760
TOTAL NON-CURRENT LIABILITIES		<u>23,760</u>	<u>23,760</u>
TOTAL LIABILITIES		<u>507,268</u>	<u>180,703</u>
NET ASSETS		<u>52,552,473</u>	<u>52,881,571</u>
ACCUMULATED FUNDS			
Accumulated Surplus	14	44,220,233	46,810,602
Capital Reserve	15	4,812,025	-
Revaluation Reserve - Shares	16 (a)	24,627	5,325,381
Revaluation Reserve - Properties	16 (b)	3,495,588	745,588
TOTAL MEMBERS' FUNDS		<u>52,552,473</u>	<u>52,881,571</u>

To be read in conjunction with the Notes to the Financial Statements.

NSW FARMERS' (INDUSTRIAL) ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2002

	<u>Note</u>	<u>2002</u> \$	<u>2001</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts:-			
Member Subscriptions		35,610	12,259
Dividends		220,389	326,189
Interest		49,900	20,198
Associated Organisations		21,300	21,300
Rental Income		3,347,789	3,537,927
Other Income		17,957	164,901
		<u>3,692,945</u>	<u>4,082,774</u>
Cash payments:-			
Suppliers and employees		(847,141)	(1,064,371)
Associated Organisations		(4,800,000)	(4,153,878)
NET CASH (USED IN)/ PROVIDED BY OPERATING ACTIVITIES	10	<u>(1,954,196)</u>	<u>(1,135,475)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Share sales (net of purchases)		<u>1,658,524</u>	<u>86,124</u>
NET CASH USED BY INVESTING ACTIVITIES		<u>1,658,524</u>	<u>86,124</u>
NET DECREASE IN CASH HELD		(295,672)	(1,049,351)
Cash held at the beginning of the year		<u>328,286</u>	<u>1,377,637</u>
CASH HELD AT THE END OF THE YEAR	4	<u><u>32,614</u></u>	<u><u>328,286</u></u>

To be read in conjunction with the Notes to these financial statements.

NSW FARMERS' (INDUSTRIAL) ASSOCIATION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

1 STATEMENT OF ACCOUNTING POLICIES

The financial report is general purpose financial report which has been prepared in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and the Workplace Relations Act 1996. The financial report has also been prepared on the basis of historical costs and do not take into account changing money values, except land and building, which is stated at independent valuation. Cost is based on the fair values of the consideration given in exchange for assets

The following is a summary of the material policies adopted in the preparation of the financial statements.

a. Property, Plant and Equipment

Property, plant and equipment are brought to account at cost or independent valuation less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

During the year the properties were revalued. Revaluation increment of \$2,750,000 arising from this revaluation has been credited to Asset Revaluation Reserve - Note 16 (b). The properties are accordingly stated at independent valuation carried out by Jones Lang LaSalle in November 2000 and by David Torrens of DTZ Australia (NSW) Pty Ltd in April 2002 and at directors' valuation.

The depreciable amount of all fixed assets, but excluding investment properties, is depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use.

b. Income Tax

No provision for income tax is necessary as the Association is exempt from income tax under Section 50.15 of the Income Tax Assessment 1997.

c. Income

All income is brought to account on an accrual basis, except interest, dividends, unit trust distributions and subscription income which are brought to account on a cash receipt basis.

d. Shares

The Association's investments comprise holdings of listed and unlisted shares. Unlisted shares are disclosed at historical cost. Listed shares have been revalued at the market price applicable as at the close of trading on the last trading day of the year and any increment/decrement is recognised in the asset revaluation reserve.

The accounting policy requires the class of non-current assets described as listed shares to be revalued to market value as at the reporting date.

e. Unearned Income

Rental receipts relating to periods beyond the current financial year are deferred and are disclosed as unearned income.

NSW FARMERS' (INDUSTRIAL) ASSOCIATION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

	<u>2002</u>	<u>2001</u>
	\$	\$
2. REVENUE		
Operating Activities:		
Commercial Revenue	990	153,797
Subscription Income	35,610	12,259
Investment Income:		
- Interest Income	49,900	20,198
- Dividend Income	220,389	326,189
- Profit on sale of investment	-	246,970
- NFF Trust Distribution	16,967	11,104
Rental Income	3,311,137	3,537,927
Management Fees - Related Funds	21,300	21,300
	<u>3,656,293</u>	<u>4,329,744</u>

3. (DEFICIT)/SURPLUS FROM ORDINARY ACTIVITIES

a. Expenses

Loss on Sale of Investments	264,416	-
Audit Fees	15,996	15,996
Legal Expenses	24,417	3,994
Consultancy Expenses	252,923	-
NSW Farmers Scholarchips	25,000	25,000
Bligh Street Property Expenses	338,738	333,255
	<u>3,656,293</u>	<u>4,329,744</u>

b. Significant Revenue and Expense

- Increment on Revaluation of Properties (i)	-	2,354,412
	<u>-</u>	<u>2,354,412</u>

(i) In the year 2000, a decrement in value of properties of \$2,354,412 was recognised as a charge to the operating results of the entity. In the previous year (2001) a revaluation of properties resulted in an increment of \$3,100,000. In accordance with AASB1041, the increment in 2001 had been first credited to the operating results to the extent the amount was previously debited of \$2,354,412 and the balance of \$745,588 had been credited to the Asset Revaluation Reserve.

NSW FARMERS' (INDUSTRIAL) ASSOCIATION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

	<u>2002</u>	<u>2001</u>
	\$	\$
4. CASH		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and monies on deposit at call. Cash at year end as shown in the statement of cash flows is reconciled to the relevant balance sheet items as follows:		
Cash at Bank	32,614	328,286
TOTAL CASH	32,614	328,286
5. RECEIVABLES		
Trade Debtors	112,863	4,194
Due from related parties:		
- NSW Farmers' Association	933,176	1,137,709
- Special Purposes Fund	40,748	37,272
- A S Burdekin Fund	11,700	7,800
GST Input Control Tax	40,746	-
Accrued Income	11,090	-
TOTAL RECEIVABLES	1,150,323	1,186,975
6. OTHER FINANCIAL ASSETS		
Listed Shares (market value):		
Rural Press Limited.	-	6,949,986
Other Listed Shares	7,969,376	3,431,059
	7,969,376	10,381,045
Unlisted Shares:		
NFF House trust units	85,000	85,000
TOTAL OTHER FINANCIAL ASSETS	8,054,376	10,466,045
7. PROPERTY, PLANT AND EQUIPMENT		
<u>Land and Buildings (at valuation):</u>		
No 1 Bligh St Sydney	22,000,000	22,000,000
46 Airds Rd Minto (i)	9,700,000	8,450,000
Unit 1207 "The Highgate"	800,000	800,000
Vanessa St Kingsgrove	11,200,000	9,700,000
Field day sheds	6,000	6,000
Net Book Value Land and Buildings:	43,706,000	40,956,000

(i) The property has been mortgaged to Westpac to secure the borrowing by NSW Farmers' Association.

NSW FARMERS' (INDUSTRIAL) ASSOCIATION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

	<u>2002</u>	<u>2001</u>
	\$	\$
7. PROPERTY, PLANT AND EQUIPMENT (Cont.)		
<u>Plant & Equipment:</u>		
Vanessa St. Kingsgrove fit-out	158,144	158,144
Less Provision for Depreciation Vanessa St. fit-out	<u>(96,009)</u>	<u>(80,389)</u>
Total Plant and Equipment	62,135	77,755
Artworks	<u>20,155</u>	<u>20,155</u>
Net Book Value Plant & Equipment	<u>82,290</u>	<u>97,910</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>43,788,290</u>	<u>41,053,910</u>
8. PAYABLES		
Trade Creditors	69,478	69,904
Accounting & audit fees accrued	19,331	12,821
GST Output Control Tax	88,247	74,218
Unearned income	<u>306,452</u>	<u>-</u>
TOTAL PAYABLES	<u>483,508</u>	<u>156,943</u>
9. OTHER LIABILITIES		
Special Fund	<u>23,760</u>	<u>23,760</u>
This is structured as follows:		
This amount represents the Association's contribution to the National Farmers Federation Industrial Reserve Fund of \$100,000.		
There were no transfers in 2002 (2001 - nil)		
10. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING (DEFICIT)/SURPLUS AFTER INCOME TAX		
Operating deficit/(surplus) after income tax	(2,590,369)	2,525,960
Non cash items		
(Increment)/Decrement in property value	-	(2,354,412)
Depreciation	15,619	15,814
Loss/(profit) on Sale of investment	<u>264,416</u>	<u>(246,970)</u>
	(2,310,334)	(59,608)
(Increase)/decrease in receivables and prepayments	(174,960)	48,130
Decrease/(increase) in receivable - related parties	204,533	(953,872)
Increase/(decrease) in creditors	<u>326,565</u>	<u>(170,125)</u>
Cash flows/(used) from operating activities	<u>(1,954,196)</u>	<u>(1,135,475)</u>

NSW FARMERS' (INDUSTRIAL) ASSOCIATION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

	<u>2002</u>	<u>2001</u>
	\$	\$
11. RELATED PARTY TRANSACTIONS		
Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.		
Transactions and Balances with related parties:		
NSW Farmers' Association		
Management fee paid	4,800,000	3,200,000
Rent received	-	413,406
Amounts receivable as at year end	<u>933,176</u>	<u>1,137,709</u>
12. ASSETS OF RELATED FUNDS CONTROLLED BY THE ASSOCIATION		
NSW Farmers' Special Purposes Fund		
Cash at bank	2,282	2,335
Term Deposit	107,177	102,828
NFF House trust units	200,000	200,000
GST Input Tax Control	457	691
Accrued income	26,296	-
Amounts owing by NSW Farmers Association	46,573	4,177
Amounts owing to NSW Farmers Industrial Association	(40,748)	(19,872)
Accruals	-	(2,572)
	<u>342,037</u>	<u>287,587</u>
NSW Farmers' A.S. Burdekin Fund		
Cash at bank	39,517	26,765
Term Deposit	266,215	255,798
GST Input Tax Control	27	53
Accrued income	822	-
Amounts owing to NSW Farmers Association	(65,030)	(42,351)
Amounts owing to NSW Farmers Industrial Association	(11,700)	(7,800)
Accruals	-	(292)
	<u>229,851</u>	<u>232,173</u>
13. GUARANTEE AND INDEMNITY		
A Guarantee and Indemnity for \$11 million has been provided to the Westpac Bank in respect of the \$11 million bank borrowing of the NSW Farmers' Association.		
14. ACCUMULATED SURPLUS		
Balance brought forward	46,810,602	44,284,642
(Deficit)/Surplus for the year	<u>(2,590,369)</u>	<u>2,525,960</u>
Balance carried forward	<u>44,220,233</u>	<u>46,810,602</u>

NSW FARMERS' (INDUSTRIAL) ASSOCIATION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

	<u>2002</u>	<u>2001</u>
	\$	\$
15. CAPITAL RESERVE		
Balance brought forward	-	-
Transfer from Asset Revaluation Reserve (i)	<u>4,812,025</u>	<u>-</u>
Balance carried forward	<u><u>4,812,025</u></u>	<u><u>-</u></u>
<p>(i) During the year, investments which were previously revalued and the revalued content for which was credited to Asset Revaluation Reserve, was disposed of. The realised gain on disposal of such investments has been transferred to Capital Reserve.</p>		
16. REVALUATION RESERVE		
a. Shares		
Balance brought forward	5,325,381	5,605,169
Transfer to Capital Reserve (Note 15)	(4,812,025)	-
Revaluation (decrement)	<u>(488,729)</u>	<u>(279,788)</u>
Balance carried forward	<u><u>24,627</u></u>	<u><u>5,325,381</u></u>
b. Properties		
Balance brought forward	745,588	-
Revaluation increment	<u>2,750,000</u>	<u>745,588</u>
Balance carried forward	<u><u>3,495,588</u></u>	<u><u>745,588</u></u>

NSW FARMERS' (INDUSTRIAL) ASSOCIATION
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

17. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows :

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	2002	2001	2002	2001
Financial Assets				
Cash at Bank	3.0	2.9	32,614	328,286
Accounts Receivable			112,863	4,194
Prepayments			34,138	27,058
Investment			8,054,376	10,466,045
Total Financial Assets			<u>8,233,991</u>	<u>10,825,583</u>
Financial Liability				
Creditors and borrowings			<u>483,508</u>	<u>156,943</u>
Total Financial Liability			<u>483,508</u>	<u>156,943</u>

(b) Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets, excluding the value of any collateral or other security, is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial statements.

(c) Net Fair Values

The net fair values of listed investments have been valued at the cost price at balance date. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial statements.

18. SUBSEQUENT EVENTS

Subsequent to year end, contracts for sale have been exchanged for the industrial properties with carrying values of \$20,900,000 at the values stated in the financial report as at 31 December 2002. The financial effect of this transaction has not been brought to account in this financial report.

Subsequent to balance date, the market value of the investments increased by approximately \$93,000 as at 30 April 2003.

NSW FARMERS' (INDUSTRIAL) ASSOCIATION

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2002

19. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996 the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 274, which read as follows:

- (1) Application for Information: A member of an organisation, or a Registrar, may apply to an organisation for specified prescribed information in relation to the organisation.
- (2) Provision of Information: An organisation shall, on application made under subsection (1) by a member of the organisation or a registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) Function of registrar: A Registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

INDEPENDENT AUDIT REPORT

To the Members of NSW Farmers' (Industrial) Association

Scope

We have audited the financial report, being the declaration by the Executive Committee, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and notes to and forming part of the financial report of NSW Farmers' (Industrial) Association for the year ended 31 December 2002. The Executive Committee is responsible for the preparation and presentation of the financial report and the information it contains. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Association.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and statutory requirements so as to present a view of the Association which is consistent with our understanding of its financial position and the results of its operations.

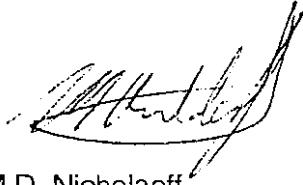
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

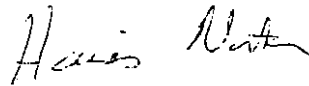
In our opinion,

- a) For the year ended 31 December 2002 NSW Farmers' (Industrial) Association kept satisfactory accounting records, including:
 - i) records of the sources and nature of the income of the Association (including income from members); and
 - ii) records of the nature and purposes of the expenditures of the organisation; and
- b) The financial report, declaration and certificates prepared under section 273 of the Workplace Relations Act 1996 in relation to the year were properly drawn up so as to give a true and fair view of:
 - i) the financial position of NSW Farmers' (Industrial) Association as at 31 December 2002; and
 - ii) the income and expenditure, and any surplus or deficit of NSW Farmers' (Industrial) Association for the year; and

- c) The financial report of NSW Farmers' (Industrial) Association is properly drawn up in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.
- d) All the information and explanations that under subsection (2) of section 276 of the Workplace Relations Act 1996, officers or employees of NSW Farmers' (Industrial) Association were required to provide were provided.



M.D. Nicholaeff
Partner
Registered Company Auditor



HAINES NORTON
Chartered Accountants

Signed on 17 June 2003

Sydney

NSW FARMERS' (INDUSTRIAL) ASSOCIATION

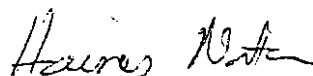
AUDITOR'S DISCLAIMER TO THE MEMBERS

The additional financial data presented on page 18 is in accordance with the books and records of the NSW Farmers' (Industrial) Association which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 31 December 2002. It will be appreciated that our statutory audit did not cover all the details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than NSW Farmers' (Industrial) Association) in respect of such data, including any errors or omissions therein, arising through negligence or otherwise however caused.



M.D. Nicholaeff
Partner
Registered Company Auditor



HAINES NORTON
Chartered Accountants

Signed on 17 June 2003

Sydney

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION
REVENUE AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002**

	<u>2002</u>	<u>2001</u>
	\$	\$
REVENUE		
Commercial Revenue	990	153,797
Subscriptions Income	35,610	12,259
Investment Income:		
Interest Income	49,900	20,198
Dividend Income	220,389	326,189
Profit on sale of investment	-	246,970
NFF Trust Distribution	16,967	11,104
Rental Income	3,311,137	3,537,927
Management Fees - Related Funds	21,300	21,300
	<u>3,656,293</u>	<u>4,329,744</u>
EXPENDITURE		
Staff Expenses	230,444	220,423
Salaries to Officeholders	-	-
Office & General Expenses:		
Audit Fees	15,996	15,996
Bank Charges and Taxes	356	2,302
Printing & Copying	44,289	5,103
Legal Expenses	24,417	3,994
Consultancy Expenses	252,923	-
Other Office & General Expenses	40,138	76,871
Promotional Expenses	25,590	25,000
Representative Expenses	12,723	15,556
Property Expenses:		
Depreciation	15,619	15,814
Bligh Street	338,738	333,255
Other Property Expenses	159,764	243,882
Investment Expenses	21,249	-
Management Fees - NSW Farmers' Association	4,800,000	3,200,000
Loss on Sale of Investments	264,416	-
	<u>6,246,662</u>	<u>4,158,196</u>
OPERATING (DEFICIT)/SURPLUS	(2,590,369)	171,548
Add/(Deduct) Adjustment to carrying value of properties	-	2,354,412
	<u><u>(2,590,369)</u></u>	<u><u>2,525,960</u></u>

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION
REVENUE AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002**

	<u>2002</u> \$	<u>2001</u> \$
SPECIAL PURPOSES FUND		
Accumulated funds as at 31st December 2001	<u>287,587</u>	<u>272,753</u>
REVENUE		
Contributions	78,924	53,514
Interest	4,372	4,590
NFF trust income	40,197	26,306
	<u>123,493</u>	<u>84,410</u>
EXPENDITURE		
Contributions to Projects	-	5,000
Bank Charges/Taxes	54	70
Management fee	17,400	17,400
Media monitoring	31,241	15,922
Primary reports printing expense	20,348	29,631
TV and video	-	1,553
	<u>69,043</u>	<u>69,576</u>
SURPLUS FOR THE YEAR	<u>54,450</u>	<u>14,834</u>
Accumulated funds as at 31st December 2002	<u><u>342,037</u></u>	<u><u>287,587</u></u>
Balance as at end of year comprises:-		
Cash at Bank	2,282	2,335
Term Deposits	107,177	102,828
NFF House Trust Units	200,000	200,000
GST Input Tax Control	457	691
Accrued Income	26,296	-
Amounts owed by NSW Farmers' Association	46,573	4,177
Amounts owing to NSW Farmers' (Industrial) Association	(40,748)	(19,872)
Accruals	-	(2,572)
	<u><u>342,037</u></u>	<u><u>287,587</u></u>

**NSW FARMERS' (INDUSTRIAL) ASSOCIATION
REVENUE AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002**

	<u>2002</u> \$	<u>2001</u> \$
A.S. BURDEKIN RESEARCH FUND		
Accumulated funds as at 31st December 2001	<u>232,173</u>	<u>235,807</u>
REVENUE		
Principal fund investment earnings	12,351	10,452
Interest	<u>11,640</u>	<u>11,730</u>
	<u>23,991</u>	<u>22,182</u>
EXPENDITURE		
Bank Charges/Taxes	-	120
Research project costs	1,413	796
Administration of fund	3,900	3,900
Burdekin research officers	<u>21,000</u>	<u>21,000</u>
	<u>26,313</u>	<u>25,816</u>
(DEFICIT) FOR THE YEAR	<u>(2,322)</u>	<u>(3,634)</u>
Accumulated funds as at 31st December 2002	<u><u>229,851</u></u>	<u><u>232,173</u></u>
Balance as at end of Year Comprises:-		
Cash at bank	39,517	26,765
Term Deposits	266,215	255,798
GST Input Tax Control	27	53
Accrued Income	822	-
Amounts owing to NSW Farmers' Association	(65,030)	(42,351)
Amounts owing to NSW Farmers' (Industrial) Association	(11,700)	(7,800)
Accruals	<u>-</u>	<u>(292)</u>
	<u><u>229,851</u></u>	<u><u>232,173</u></u>



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Mr Jonathan McKeown
Chief Executive
NSW Farmers (Industrial) Association
GPO Box 1068
SYDNEY NSW 1041

Dear Mr McKeown

Re: Financial Statements for NSW Farmers (Industrial) Association for the year ended
31 December 2002 (FR2002/787)

Receipt is acknowledged of the above financial statements, which were lodged in the
Registry on 28 August 2003.

These documents have now been filed.

Yours sincerely,

Peter McKerrow
Assistant Manager
NSW Registry

25 September 2003